

# 10 Easy Ways You Can Collect More Money and Write Off Fewer Bad Debts

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1. **Bill quickly.** Send out your invoices and bills as quickly as possible after rendering the services or providing the goods; or better yet, present it on the day you provide them to your customer. The tried-and-true rule is that the first one to the counter gets served first.
2. **Send out statements before the end of the month.** Beat everyone else to your customer's money – send out your monthly statements a week before the end of the month.
3. **Accept credit cards.** Consider how often you use your credit cards to pay bills (even if only for the convenience). Why not let your customers do the same? (But if it's an old bill, check your merchant service agreement first to see if you're permitted to charge past-due invoices.)
4. **Charge interest.** Why should your customer pay you quickly if there's no penalty for delaying? (Be careful to follow all state and federal laws that regulate how and when interest can be charged, especially the Wisconsin Consumer Act and the Federal Truth-In-Lending Act).
5. **Cut 'em off.** Stop providing goods or services to customers who haven't paid their old bills. While it sounds obvious, it's not always that easy. It's hard to turn "business" away; and in some industries it takes a while to find out the bill will not be paid. Doctors, dentists, and other medical professionals often do not find out an insurance company will deny the claim until months later.
6. **Ask for deposits or pre-payment.** Before you provide goods or services, ask for a down payment, deposit or pre-payment.
7. **Take action quickly.** Don't let anyone carry a balance past 30 days without obtaining some sort of payment plan or reasonable excuse. The other tried-and-true rule is that the squeaky wheel gets the oil.
8. **Stay in touch.** Have a system in place for tracking delinquent accounts, mailing reminder letters, and contacting debtors who are delinquent. Use the 3-step collection system.
9. **Bring in an attorney promptly when necessary.** When you're getting no response or the "run-around", don't hesitate in getting help from an attorney. Even collection agencies know that sometimes debtors will only pay when they receive a letter from an attorney. It takes time to get a judgment and start garnishing wages. The longer you delay the inevitable the longer it ultimately takes to obtain payment and the more the odds increase that you will never get paid. Don't delay.
10. **Follow through with any "threats".** Don't threaten to take action against a customer that you do not intend to do. Besides being a violation of some credit laws, it undermines your credibility. If you threaten that you're going to refer the account to your attorney – do so!

**And don't forget! Be nice!** Believe it or not, we pay the ones we like first. There's no need to be derogatory or rude when asking people to pay their bills.