

Effective Collections

3rd Edition

By Steven M. Bragg, CPA

Table of Contents

Chapter 1 – Collection Tactics	1
Learning Objectives	1
Introduction	1
Overview of Collection Tactics	1
Collection Tactics	3
Courtesy Calls	3
Grace Period Reduction	4
Dunning Letters	4
Check Payment by Fax or E-mail	6
NSF Check Resubmission	7
Pay Undisputed Line Items	7
Confirm Payment Date	8
In-Person Check Pickup	8
Take Back Merchandise	9
Hold Orders	9
ACH Debits	10
Split Payments	10
Postdated Checks	10
Interest and Penalties	11
Promissory Note	11
Salesperson Assistance	12
COD Roll	12
Barter	13
Arbitration	14
Attorney Letters	14
Final Demand Letter	15
Issue Small Claims Court Complaint	15
The Collection Reputation	16
Credit Repayments	16
The Collection Call	17
Preparation	17
Scheduling	17
Phone Skills	18
Escalation	19
Documentation	19
Caller Personality	19
In-Person Visits	20
Summary	20
Review Questions	22
Review Answers	23
Chapter 2 – The Collection Agency	25
Learning Objectives	25
Introduction	25

Table of Contents

The Collection Agency	25
When to Use a Collection Agency	26
When to Refer an Account to a Collection Agency	28
Management of a Collection Agency	29
Selection Criteria	29
Pricing	30
Contract Terms	31
Speed of Referral	31
Paperwork Support	32
Effectiveness Issues	32
Fraudulent Customers	33
Liability Issues	34
Feedback Issues	34
Bonding	34
Payment Tracking	34
The In-House Collection Agency	35
Summary	35
Review Questions	37
Review Answers	38
Chapter 3 – Litigation and Bankruptcy Tactics	39
Learning Objectives	39
Introduction	39
The Litigation Process	39
Litigation Advance Preparation	40
Litigation Prescreening	41
Litigation Timing	42
Collection Trigger Points	42
Attorney Selection	43
Small Claims Court	44
Money Judgment Collection Tactics	45
Bankruptcy Activities	46
Asset Reclamation	48
Sell a Creditor Claim	49
Chapter 11 Bankruptcy	50
The Involuntary Bankruptcy Petition	51
Summary	51
Review Questions	52
Review Answers	53
Glossary	55
Index	57