

Best Practices in Accounts Receivable

No matter the industry in which your business specializes, an instrumental part of your success lies within the accounts-receivable process. Properly tracking receivables is an essential function in the management of cash flow. Remember the following tips to ensure the successful management of your accounts-receivable process.

Accounting Software can help simplify the receivable process. A large variety of software is available to suit your collection needs. However, are you using that software effectively? Ensure that your systems are talking to one another; be certain your payments are posting automatically.

Payments Policies should be established clearly. From timing (due date, delinquencies, and so on) to accepted forms of payment (credit, debit, ACH), understanding your clients' preferred-payment method is instrumental in reducing costs and simultaneously offering a variety of payment options that allow your client greater flexibility.

Billing Policies that collect the full amount are always ideal but in certain cases that kind of collection is not an option; use payment plans or a pay-in-full plan that provides incentives for debtors to settle their debts. These methodologies can be used in conjunction with a web-payment strategy to achieve the best results.

Aging Accounts should be closely monitored. Categorize delinquencies in 30/60/90-plus days past due. Have a plan in place for actively seeking settlement. A template of the process should accompany each file with a checklist of the actions that were taken.

Monthly Statements should proactively be sent to serve as friendly reminders of the account standing. In cases in which an oversight occurred, the settlement can be quickly decided and in cases in which the payment could not be settled effectively, these statements also provide documentation should the account go to a collection agency.

As technology continues to advance and providers recognize and cater more to the fundamental needs of business, it is important to ask one final, fundamental question. Are your systems working for or against you? In selecting different technology providers, one common oversight is synergy. Do the systems talk to one another and can they share one common system of record? The key to automation and the reduction of manual processes, therefore, is synergy.

EPP integrates its payment solutions into accounts receivable and telecommunications solutions to ensure a seamless experience for the end-user. For a demonstration of the way these automated solutions can benefit your business, contact us today at (877) 377-2677 or visit our web site at www.expresspayments.com.