





SOP Reference #: AC013

Operation/Task:	Collections			Equipment:	N/A
Owner:	Accounts Receivable Manager	Date Created:	5/3/21	Department:	Accounting
		Revision History:	See last page		

ALERTS (see below): Critical Step  Quality Check  Tip  Team Safety 

Purpose: This SOP/work instruction describes the collections process.

Step #	Alerts	Step Description - "What to Do"	"How to Do it"	"Why to Do it"
1		Determine which clients need to be contacted	<ul style="list-style-type: none"> Refer to collection team spreadsheet which is distributed twice weekly. Refer to screen shot in the Definitions section for an example. 	This report will identify every invoice and its status.
2		For invoices with 30-45-60 day terms	<ul style="list-style-type: none"> First contact attempt with the customer is at <u>15 days past due</u>. (see notes section below for First e-mail attempt template) If no response, then second attempt is 1 week later. At 30 days past due if we still have no response, we will let sales know. (see notes section below for second e-mail attempt template) <p>Note: If no response has been generated to this point, the invoice will be reviewed between the AR Manager and the sales rep to determine the next steps in the collection process.</p>	If the client has not yet paid their invoice, we need to contact them in a timely fashion to remind them.
3		Invoices with 90 day terms	<ul style="list-style-type: none"> First contact with the customer will be made <u>at day 91</u>. If no response, then second attempt is 1 week later, and sales will be made aware. <p>If no response has been generated to this point, the invoice will be reviewed between the AR Manager and the sales rep to determine the next steps in the collection process.</p>	If the client has not yet paid their invoice, we need to contact them in a timely fashion to remind them.

4		Customer that communicates they are delaying payment for any reason	Notify AR Manager and the sales rep	Approval is needed
---	--	---	-------------------------------------	--------------------

Notes:

First e-mail attempt

This is just a friendly reminder that your account is past due. According to our records your balance of \$ is outstanding. In the event you have not received these messages and documents, we have provided a summary of the invoice(s).

Invoice number:

Invoice Date:

Amount: Due Date: **If there are multiple invoices a statement may be used instead.**

Days past due:

We would appreciate if you could let us know the status of this payment. Please contact us or send your payment of \$ to the address below by (put date in one week out) if you have not already done so.

ATTN: Accounts Receivable.

Thank you for your prompt response to this request and for your continued business.

Sincerely,

Second e-mail attempt

At this time, we have not yet received a payment regarding invoice(s). Your account is now ____ days past due and you owe a total of \$.

Please contact us immediately if you would like to discuss, otherwise please submit your payment of \$____ by (one week out).

Thank you in advance for your prompt response to this letter and for your continued business.

Sincerely,

Definitions: Example of collections spreadsheet

Invoice #	Job #	Due Date	Invoice Date	Customer Account #	Customer Name	Transaction Date	Note	Invoice Total	Aging Days	Invoice Balance	Days Past Due	Terms
999999	111111	01/31/2021	12/02/2020	2220	Test	11/30/2020	2/7/21 - Email sent to customer 2/14/21 - Email sent to customer 2/21/21 - Phone call to customer email sent to sales rep	\$5,000.00	106	\$5,000.00	46	60
999999	111111	02/16/2021	11/18/2020	2221	Test	11/18/2020	2/16/21 - Email sent to customer 2/23/21 - Secon email sent to customer and notification to sales rep	\$7,500.00	120	\$7,500.00	30	90
999999	111111	3/13/2021	2/11/2021	2222	Test	1/31/2021	30 Day Terms - only 5 days past so no note	\$9,865.08	35	\$9,865.08	5	30

Revision History	Description of Changes	Requested by	Date
Rev 1	First posting to intranet	Bill Graham	4/21