

DEBT MANAGEMENT CHECKLIST

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| 1 | Ensure that your terms and conditions provide enforceable options for debt recovery | |
| 2 | Ensure that your terms and conditions include late payment interest provisions on business-to-business debt | |
| 3 | Agree those payment terms upfront and ensure that they are properly accepted so that there is no doubt whose terms and conditions govern your customer/business relationship | |
| 4 | Issue all customers with a copy of your business terms and conditions as soon as they engage you | |
| 5 | Always create detailed, clear and easy to understand invoices; it helps to print a further copy of your terms and conditions on every invoice or embed a link to them/attach a copy of them if you're sending out the invoice electronically | |
| 6 | Add VAT correctly to your invoices | |
| 7 | Invoice the correct party – you should know if the other business is a limited company, sole trader or partnership. It is important to make sure you don't invoice the individual if he/she is actually trading as a limited company | |
| 8 | Issue invoices promptly, and ensure they set out all the details necessary for your customers to make prompt payment. | |
| 9 | Follow up with your customer if you don't receive payment by the due date. | |
| 10 | Record any correspondence with your customers about payment, including any reminders sent | |
| 11 | Consider your debt recovery options if your customer still doesn't pay | |
| 12 | Remove or reduce credit terms for persistent late payers – ensure your terms and conditions give you the right to do this, with short notice, on failure to stick to the agreed timescales | |