



Worksheet 104 – The best ways to recover your debts

Recovering debt is a big part of any business.

Without paying clients you don't have a business.

You need to have an effective debt recovery framework.

If you leave it too long you're not going to be paid effectively.

We always recommend that you get paid up-front. *But that isn't always possible.*

That's when debt collection becomes absolutely critical.



You need a process

Whenever you're providing goods or services ahead of time you have to create an internal debt collections process.

You should have a specific staff member tasked with carrying out the debt collection process.

If you follow a regimented process delinquencies are going to decrease.

That process should include the following steps:

- **Send an invoice with the expected date of payment**
- **Then in the event of non-payment send a second email requesting payment**
- **If payment still has not been paid a phone call requesting payment should be made**



What process do you have in place to collect money owed to you?



Make sure you follow the rules

There is a [clear set of debt collection guidelines](#) that have been created by the government.

The guidelines are quite broad.

You may want to consider seeking the advice of a lawyer before crafting your policy.

here are rules around contacting a debtor.

You have to have a reasonable belief that the method you are using to contact the debtor is the correct one.

It is illegal to make contact with a debtor under false pretenses.

The rules around debt collection are incredibly important.

You don't want to fall afoul of the ACCC.

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Do the debt collection policies you have in place follow the guidelines set-out by the ACCC?

BusinessLegal : Lifecycle

Learn more by ordering the book

Whether you want to have a large company or a small lifestyle business, you must pay attention to the legal aspects right from the start.

The Business Legal Lifecycle is a handbook for you to use in your business on a regular basis.

The key areas that Jeremy Streten covers in the Business Legal Lifecycle are:

How to successfully set up your business

Why and when you need to pay attention to the legal aspects of your business

Who you should consult with along your business journey



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