

11.09 Credit and Collections

Policy:

It is the policy of Licking/Knox Goodwill Industries, Inc. that the Director of Finance be responsible for all collections, bad debts and returned checks.

Procedure:

Returned Checks--Checks returned by the bank for insufficient funds, stop payment, account closed, or any other reason, will be handled according to Retail Policy Section 17, *Returned Checks*.

Non-Payment for Services/Goods –The standard for most services is “payment upon receipt”. However, certain customers are invoiced with terms of “NET 30 TO 60” days.

- Once a customer is 30 – 60 days past due, a statement of account is sent.
- After 60 –90 days, a letter is sent requesting immediate payment and the customer is contacted by phone to inquire whether the problem might be mutually resolved. This call must be documented.
- After 90 days, a letter is sent by certified mail stating that if payment is not received within 30 days, the account will be turned over to an outside collection agency.
- Customer relations are very important and every effort should be made to work with the customer towards and effective resolution.
- If a customer remains delinquent for 4 months, further collection efforts will be handled by a professional collection agency or attorney.
- Services/Goods may be discontinued at the direction of the CEO/President and/or the Director of Finance.

Additional Action for Non-Payment or Bad Debt

1. The Director of Retail shall periodically receive a current listing of customers whose checks are no longer accepted.
2. Current services may be terminated.