



How to Better Manage Your Business Debtors

Debt Management Strategies

Be guided by accountants / business advisers / administrators / professional associations. Once policy has been established it is essential that parameters and conditions are made clear to your clients/customers. Every exchange involves a contract.

What are the terms of the contact you have with your customer?

Oral:

- face to face
- telephone
- voice mail

Written:

- orders
- forms
- business stationery
- invoices
- receipts
- signage

Implied by law

Statutory - Consumer Protection Legislation

Essential Terms

- Amount for payment
- Time of payment
- Mode of payment
- Passing of property

Recommended Terms

- Interest
- Default costs
- Indemnity costs
- Agency
- Exchange/Rectification
- Follow up service

Documents

- It is essential for proper debt management to include on all documents the terms upon which the transaction is proceeding.
- Fine print but legible/concise/plan English.
- Description of goods or services to be provided
- Price or fee
- Time for payment
- Acknowledgement that property does not pass until payment received in full
-

Acknowledgement of right to repossess

- Goods at purchaser's risk upon delivery
- Full indemnity of vendor upon delivery
- In case of default of payment ability to charge interest from day of transaction at nominated rate
- If in default agreement to pay full costs of recovery of monies due-costs indemnity
- Waiver of requirement for notice prior to action on default?

Demand for Payment

- Reminder Notices/Letter/Phone
- Letters
- Phone
- Whatever form of demand is used it should be regularised, systematic and contain certain essential elements.
 - (a) refer to terms of contract
 - (b) quantify debt
 - (c) quantify interest (if any)
 - (d) quantify costs (if any)
 - (e) state mode, place and date for payment
 - (f) state consequences of non-payment

Collection of Debt

- Debt Collection Agent
- Solicitor

How can Maddens Lawyers assist you?

- Assist in drafting appropriate terms for documents, signs, demand letters and other necessary documents as outlined
- Assist in pursuing your debtors should that become necessary
- Advice in relation to Debt Management Issues.

If you require assistance please email our Litigation Department for a consultation.

Commercial Litigation Lawyers

Brendan Pendergast
Principal
LL.B
(AH) 5562 2403

Brooke Byrne
Senior Lawyer
LL.B B.A
(AH) 0433 924 552

Jane Davies
Lawyer
LL.B BCom
(AH) 0417 264 166

Warrnambool Office

1A Liebig Street
Warrnambool 3280

Phone: (03) 5560 2000
Toll Free: 1800 815 228
Fax: (03) 5560 2099

Email:
bfp@maddenslawyers.com.au

Web Address:
www.maddenslawyers.com.au

Colac Office

206 Murray Street
Colac 3250

Phone: (03) 5231 3603
Toll Free: 1800 815 228
Fax: (03) 5231 6593
(By Appointment)

Port Fairy Office

62 Sackville Street
Port Fairy 3284

Phone: (03) 5568 1367
Fax: (03) 5568 1804
(By Appointment)

Melbourne Office

Unit 708 Victoria Point
100 Harbour Esplanade
Docklands 3008

Phone: (03) 9640 0102
(By Appointment)

Liability limited by a scheme approved under Professional Standards Legislation