

Stretch Your Education Dollars with an Effective Collection Process

By Matt Moskowitz



Today, more than ever, school business managers are looking for ways to do more with less and to make every dollar count. Yet, collecting fees associated with athletics, contracts, labs, and books plus miscellaneous charges can test procedures and put a strain on the staff.

With a few adjustments to internal collection processes, your districts can endure financial challenges and retain a strong standing in the community and a good reputation in the education industry.

A few minor modifications to your internal collection procedures may be all you need to get on the road to financial recovery and financial success. The key is to act early on overdue debts, to invoice regularly, and to approach delinquent accounts with respect and diplomacy.

Act early. Your early action will gently remind others about their responsibility to settle the bill. When your in-house debt recovery team acts as early as 30 days past due, they can resolve overdue accounts successfully and rapidly.

Invoice regularly. Collecting fees immediately is ideal; that way, time and money are not spent invoicing and chasing overdue accounts. However, it is not realistic. Many districts have improved their collections by approaching overdue accounts respectfully through regular written appeals. Notices sent by mail are typically perceived as less threatening than phone calls and generally garner a better response.

Treat clients with diplomacy. Many school business managers don't aggressively pursue overdue debt for fear of damaging long-standing relationships. By treating others with respect, you can maintain a solid relationship, enjoy a strong reputation in the community, and recover monies owed to you.

Get help. These steps can dramatically improve your district's in-house internal collection efforts. If you don't have the manpower to chase down unsettled accounts, it is time to get help.

Finding a collection agency that offers a flat-fee system is ideal for

those in the education industry who are operating within a tight budget. Flat-fee structures typically involve clients paying an average of \$10 to \$15 per account, regardless of the dollar amount being collected. This is significantly less than the average 33% charged by traditional collection agencies.

Be sure to seek out a respectable collection agency that will work in tandem with your improved internal methods to create a strong team behind your debt recovery staff. A finance-minded team of professionals will understand the intricacies of the collection and education industries and will work diligently to create tailored solutions that will increase current and future profits.

A reputable collection agency should employ professionalism, ethics, and standards and should be committed to customer service. These characteristics set the good collection agencies apart from the traditional debt-recovery agencies. All collection agencies are not created equal. Be sure to look for an ethical and affordable agency that has your best interests in mind.

The key to staying successful in any economy is to ask for help when you need it. Working in concert with a strong collection team helps school business managers do more with less and retain a strong standing in the community and education industry.

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