

Monitoring of receivables for firms

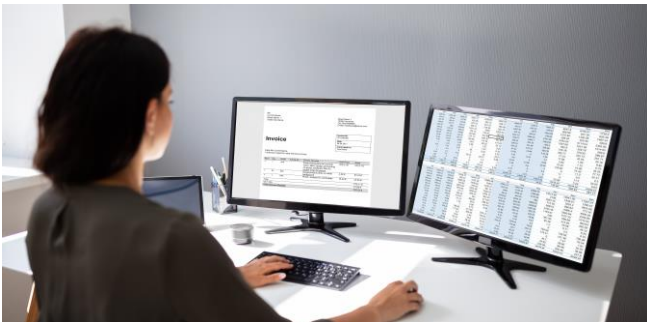
- Ensuring timely payments from customers
- Collection of past due trade receivables



Did you know?

- According to the National Debt Register, past due trade receivables amount to PLN 8.5 billion.
- Credit sales (or extending loans to customers) negatively affects financial liquidity of firms and hinders their development.
- Professional debt management significantly increases the effectiveness of recovering debts early and acts preventively.

Overdue receivables are a problem for a large part of companies operating in Poland. On December 8 2022, an amendment to the Act on Counteracting Excessive Delays in Commercial Transactions came into force, which aims to speed up proceedings against debtors with overdue receivables exceeding PLN 2 million.



How to effectively counteract delays in payments by contractors?

Effective verification of contractors and monitoring receivables allows early identification of situations that may lead to late payments by a business partner. Properly formulated provisions of the contract and payment terms will also help to eliminate potential payment gridlocks.

In the event of delays in payments, it is extremely important to conduct the debt collection process in such a way as to recover receivables in the shortest possible time, and at the same time maintain good relations with the contractor.

Key stages of receivable management:

1. Optimization of the process of verification of contractors
2. Verification of contracts and terms of cooperation with business partners
3. Monitoring of receivables and ongoing identification of potential delays in payments
4. Debt recovery process – payment date reminder, notice to pay
5. In-court debt recovery

External monitoring of receivables - key benefits

recovery of past due receivables and release of frozen funds

control over trade receivables and elimination of potential delays without the risk of compromising customer relations (as debt recovery is neither carried out by sales nor by customer service department)

elimination of unwanted payment behaviours

early warning – minimizing the risk of dishonest customers

Receivables monitoring – how can we help?

Scope of support

Support in the verification of contractors

- **Audit of the current contractor verification procedure and suggesting potential improvements**
- **Verification of commercial contracts and payment terms with recommendations for changes in provisions**

Monitoring of receivables

- **Verification of timely payment of invoices and identification of unreliable customers**
- **Monitoring customers in the business gazette (Monitor Sądowy i Gospodarczy) for any signs of bankruptcy, restructuring or other types of liquidity threats**

Debt recovery proces

Contacting customers who do not pay on time:

- **Emails**
- **Notice to pay**
- **Phone calls**
- **Pre-court notice to pay**

In-court debt recovery

- **Writing a lawsuit**
- **Representing client in court**

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