# 701 & 901: Collections, Pest Prevention & Lawn

700: Pest Prevention · https://milo.masseyservices.com/docs/701-901-collections-pest-prevention-lawn/

**Section:** Pest Prevention / Lawn Administration
**Subject:** Collections, Pest Prevention/Lawn
**Approved by:** Tony Massey
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**Policy Owner:** Director of Administrative Training

## Policy

**The philosophy and concepts that support Massey's Collection Policies and Procedures are:**

1. Our Service Technicians, Specialists, Sales Inspectors, Service Managers, etc. must collect all charges in advance or at the time of sale or service. (See P&P 1105, Credit Policies)
2. Billing will be routinely performed by the Reporting Department on the accounts that do not pay in advance or at the time of service, and have a balance owing. Statements will be processed weekly for those accounts that have balances from invoices that are 10 days and older, and that haven't received a statement during the previous 30 days. Statements may be mailed via post or email, depending on the customer's preference.
3. The Reporting Department will also mail Payment in Advance option letters (PIAs) to all customers at least once annually. (See PIA Letter)
4. General Managers, Service Managers and Office Managers must provide daily follow-up with all team members to ensure collections are being made on all accounts at the time of service and/or sale.
5. All payments received in the mail from billing statements will be deposited and posted by the Accounts Receivable Department. Credit card payments taken over the phone at Customer Care

will be charged and posted at Customer Care. Payments received in the Service Center from Service Technicians, Sales Inspectors, Service Managers, mail, and phone calls will be processed, posted, and deposited by the Service Center's admin team.

The step-by-step procedures that each employee must follow in order to accomplish our total collection goals are outlined below.

**NOTE: See P&P 1105, Credit Policies for specific guidelines on cash and credit including credit card policies.**

**COLLECTION CALL ACTIVITY**

All efforts will be undertaken to collect outstanding balances; however, such actions will adhere strictly to applicable federal and state regulations. To ensure compliance, collection calls will be made only between 8:00 a.m. and 9:00 p.m., based on the customer's local time. Additionally, no more than seven calls will be made within a seven-day period or within seven days of having a conversation with a customer.

## General Manager Responsibilities

The General Manager has the overall responsibility to ensure that all Collection Policies and Procedures are followed. The General Manager has these specific responsibilities, in addition to managing the overall collection program:

1. Ensure that ALL team members are trained in all Collection Policies and Procedures.
2. Ensure that only Company authorized terms are offered to customers, and review all agreements for completeness and accuracy. (See P&P 1105, Credit Policies)
3. Enforce Company Policy in regard to depositing all monies the day they are collected. All monies should be deposited before 2:00 p.m. each day and money received after 2:00 p.m. should be secured overnight and deposited before 2:00 p.m. the following day - WITHOUT EXCEPTION.
4. On the 25th of each month, a copy of the "Initial Services Completed Not Paid In Full" report should be given to all team members listed on the report so that all new accounts that have not paid can be contacted.
5. Ensure the Bad Debt procedure is followed on all uncollectible accounts (see below).

6. Review commission reports for accuracy and ensure that accounts that were short-term cancellations are charged back to the Sales Inspector.
7. Using the “Debit Balance by Perm Route Over X Days without 17-60”report, personally contact all customers appearing in the "OVER 90" day column, as well as all cancelled accounts. Establish a date/time for payment of the past due balance. At this point, service has been suspended but can be reinstated once the past due balance is paid. To reinstate service, we will require the customer to enroll in our auto-credit card or EFT processing of future payments.
8. Ensure that the Customer Service Specialist files all invoices and worksheets, using one file for each technician, for each month.
9. Assist the sales, service, and office team in performing their responsibilities.

## Sales Inspector Responsibilities

The Sales Inspector has the responsibility to see that an account has a current balance. The Sales Inspector is the first contact the customer has with our Company, and, as such, has several key responsibilities connected with all sales.

1. Make the presentation and close the sale.
2. Obtain a signed agreement, which clearly indicates home and work phone numbers and complete billing information.
3. Be certain that the customer fully understands the method and frequency of service, payment terms, and minimum agreement length of 12 months
4. Evaluate the customer's ability to pay in order to offer the best service possible within the limits of the customer's budget.
5. Follow-up with a personal visit within 30 days of the initial start to see that the work was performed satisfactorily, and to ask for referrals.
6. The Sales Inspector must explain the options for payment:
    1. 5% discount for year in advance payment collected at time of sale or start, or
    2. remit payment to Service Technician at the time of service, or
    3. payment on receipt of invoice via auto credit card payment or electronic funds transfer

7. If the customer does not pay for a year in advance, the initial month's service charge must be collected at the time of sale. (All exceptions to this policy must have prior approval of the Regional / Divisional Manager.)
8. Collect all Special Service or One-Time Services at the time of sale and/or start. (All exceptions must have prior written approval of the Regional / Divisional Manager.) (See P&P1105, Credit Policies)
9. Provide the Service Technician or Specialist with as much information as possible on special instructions, service requirements, and method of payment, etc. This will help in establishing customer satisfaction and help ensure prompt payment in the future.
10. Review the “Debit Balance by Perm Route Over X Days without 17-60” report each week with the General Manager. The Sales Inspector must make a follow-up visit or phone call to all customers that he or she sold who have not paid.

## Service Manager Responsibilities

The Service Manager is responsible for ensuring that the Service Technician is thoroughly trained in providing a quality service in a productive, professional, and efficient manner. The Service Manager is specifically responsible for the following items:

1. Ensure that all complaint calls are serviced according to Company policy and in a manner that will maintain a satisfied customer.
2. At the beginning of the month, review with each Service Technician all accounts appearing on the “Debit Balance by Perm Route Over X Days without 17-60” report for that Technician's route, and establish the necessary course of action required to bring the account to a current status.
3. Review with each Service Technician those accounts on the “Debit Balance by Perm Route Over X Days without 17-60” report in the "OVER 30" day column and those beyond that are currently suspended and must be collected before service can be provided.
4. Using the “Debit Balance by Perm Route Over X Days without 17-60” report, the Service Manager, working in conjunction with the Office Manager, must call all accounts in the "OVER 60" day column (suspended accounts) to arrange for payment. Collection of this unpaid balance must be made before service is performed. We recommend the following approach:

1. "Mrs. Jones, our Office Manager has informed me that you have an outstanding balance of $58.00. In order to receive your scheduled service, I'll need to collect the overdue balance on your account. Please make your check payable to Massey Services, and I would be happy to deliver it, along with today's service."

5. Upon payment of a delinquent balance of a suspended account, the Service Manager is to immediately reassign the invoice to the Service Technician to perform the service.
6. Review the Service Technician's work daily for customer signatures, proper charges on each invoice, and collection efforts and/or results. The Service Manager must hold the Service Technician accountable to collect all accounts with a past due balance.
7. Assist the Customer Service Specialist in making "Welcome to Massey" calls on those customers who must be reached before or after regular office hours, to explain method/concept of service, schedules, length of agreement and payment procedures, etc.

## Service Technician/Specialist Responsibilities

The Service Technician plays a vital role in ensuring that a customer's account remains current. After the sale, the Service Technician becomes the main contact with the customer on a regular basis, and his attitude and proficiency in providing service are a major factor in maintaining a low cancellation rate, low allowances and current account balances. The Service Technician is specifically responsible for the following items:

1. WHERE POSSIBLE, EVERY EFFORT MUST BE MADE TO COLLECT ALL CHARGES DUE AT THE TIME OF
2. Perform the initial service (if applicable) and regular service in a professional and safe manner, and handle any necessary follow-up calls in a manner that will maintain a satisfied customer.
3. When the Regional / Divisional Manager has made an exception, and the initial service was not collected by the Sales Inspector prior to the service, any charges on the initial service, Special Service, and/or One-Time Service MUST BE collected by the Service Technician prior to providing any service. In the event that the customer does not have the money, the Service Technician should politely inform the customer that our policy requires him to collect prior to service, and that he cannot perform the service without payment. If the customer is still unable to pay, the Service Technician should not perform the service, notify the office as soon as possible, and return the agreement to the Service Manager.

4. All service invoices must be filled out completely and accurately and must include the customer's signature. Always return the customer copy of the invoice to the office when:
    1. the billing address is different from the service address, or
    2. the account is a Corporate billed account. (This is a service provided only to special commercial customers).

Depending on the billing arrangement with the customer, an alternative system is to make a copy of the office file copy of the invoice and mail it to the customer. This step is vital in expediting payment from the customer.

1. Be familiar with the payment record of all customers on the route. The Service Technician is not authorized to perform service on any account for which the initial service has not been paid, or an account in a SUSPENDED status (see page 10 of this policy)
2. Notify the Service Manager of any account that you feel may have financial problems, which may lead to cancellation due to non-payment.
3. The Service Manager will give the Service Technician any service invoices for delinquent accounts that have agreed to pay the past due balance at the next scheduled service.

IF THE CUSTOMER DOES NOT PAY, DO NOT SERVICE THE ACCOUNT. Unless prior approval is received from the General Manager, NO residential, commercial, or landscape account is to be serviced with a past due balance equal to two (2 monthly service charges or one (1) bimonthly or quarterly service charge. Multi-Family customers may be serviced a total of three (3) months charges before they are suspended.

## Office Responsibilities

Office responsibilities primarily belong to the Office Manager and Customer Service Specialist. Collection efforts are one of the most important functions of the administrative staff. Therefore, all administrative team members are expected to spend at least one hour every day on the collection of accounts.

## Daily Collection / Unsigned Invoices

1. Seven (7) days following the service of an account, the customer must be contacted by phone to verify receipt of invoice and satisfaction of service performed. The explanation to the customer could be as follows:
    1. "Mrs. Jones, my name is Mary Smith, and I am the Customer Service Specialist at Massey Services. Our records indicate that we serviced your account last Friday (7 days prior), and I wanted to call and confirm that you received a copy of your invoice and are satisfied with your service. Good. Mrs. Jones, our invoices are due and payable upon receipt, and we have no record of receiving your payment." Pause, and handle customer's response. "So I can update your record, when can we expect your payment? Thank you and have a pleasant day."
    2. Be sure to check each account before calling to see if they are set up on auto-pay with a credit card or electronic funds transfer. You aren’t required to call these customers, but you are encouraged to make occasional quality assurance calls on all customers.
2. The customers that are to be contacted can be obtained from the "7 Day QA Collections Calls” report (See the Collection Calls Report in Reporting Services on the Intranet at Home > Service Center Reports > Collections > QA Collection Calls ) which lists charges from seven (7) days prior, the date of service. All accounts on this list owe for the service completed 7 days ago, and are to be contacted. Following this procedure will minimize allowances, cancellations, customer complaints, as well as enhance collection efforts.
3. Customer Service Specialists will make "Welcome to Massey" calls explaining method/concept of service, schedules, length of agreement and payment procedures, etc.

**NOTE: On those accounts that must be reached before or after office hours the Service Manager and/or General Manager may have to make these calls.**

## Debit Balance by Perm Route Over X Days without 17-60 Report

At the beginning of each month, the Office Manager will print a “Debit Balance by Perm Route Over X Days without 17-60”report. This report will be printed in triplicate with an updated report printed weekly on Thursday. The distribution of copies is as follows:

- First Copy: To be used by the Office Manager, Service Manager and General Manager, as a master list to log all telephone commitments. The Office Manager and Service Manager are responsible for

contacting all customers in the "OVER 60" day column. The General Manager & Office Manager are responsible for contacting all customers in the "OVER 90" day column, and all cancelled accounts with a debit balance. This copy should be retained in the admin area of the service center.

- Second Copy: To be used by the Customer Service Specialist to log telephone commitments on all accounts in the "OVER 30" day column. This copy should be filed along with the Managers' copy at the end of the month.
- Third Copy: To be used by the Service Technicians, to assist in all collections and highlight trouble accounts.

I**MPORTANT NOTE: Aging on these accounts updates daily. For example, an account serviced on March 1st that remains unpaid on March 31st will be exactly 30 days old, and will not show up on the report. This same account will, however, show up in the Over 30 day column on April 1st.**

| **Balance Statue** | **Responsibility** |
|---|---|
| Over 30 days | Customer Service SpecialistService Technician |
| Over 60 days | Office ManagerService Manager |
| Over 90 days | General ManagerOffice Manager |
| All Canceled Accounts | General ManagerOffice Manager |

## Suspension of Service

- **Two workdays prior to the month**-end close, print a final “Debit Balance by Perm Route Over X Days without 17-60”report, prior to printing invoices for the coming month. Run it for all accounts that will be over 60 days old as of the first day of the upcoming month.
- Using this report, the General Manager, with the assistance of the Office Manager and Service Manager, must decide which accounts are to be suspended, cancelled and/or bad-debted in the upcoming month.

**NOTE: ALL RESIDENTIAL, LANDSCAPE, AND COMMERCIAL ACCOUNTS IN THE “OVER 60” DAY COLUMN OR BEYOND, WILL BE SUSPENDED, UNLESS THE GENERAL MANAGER AUTHORIZES AN EXCEPTION TO PROVIDE SERVICE. MULTI-FAMILY ACCOUNTS WITH A BALANCE OVER 90 DAYS OLD WILL BE SUSPENDED UNLESS THE REGIONAL MANAGER AND**

**SENIOR DIRECTOR OF MULTI-FAMILY AUTHORIZES AN EXCEPTION TO PROVIDE SERVICE.**

- After each week's invoices are printed, pull invoices for all suspended accounts (residential, landscape, and commercial accounts that owe two monthly service charges or one bimonthly or quarterly service charge; Multi-Family accounts that owe for the value of three (3) monthly service, included in completed unpaid bed bug treatments).
- Maintain invoices of suspended accounts in a file so they can't be assigned to a technician to service without the GM's prior approval.
- The Service Manager is to review the status of suspended accounts with the Service Technician daily, using the technician's copy of the "Debit Balance by Perm Route Over X Days without 17-60".
- Suspended accounts are to be highlighted on the Service Technician's copy of the "Debit Balance by Perm Route Over X Days without 17-60".
- General Manager, Service Manager and office team members are to make collection calls on the "Debit Balance by Perm Route Over X Days without 17-60"report daily.
- The "Debit Balance by Perm Route Over X Days without 17-60"report is to be updated daily through inquiry on the computer to verify if payment has been received. Verify each account against suspended invoices. There are 2 reasons for this:
  - So the invoice can be reassigned to the technician in a timely manner, and
  - So that a customer with a delinquent balance, who has paid, is not called again unnecessarily.
- When payment is received on a suspended account, note the account on the MASTER "Debit Balance by Perm Route Over X Days without 17-60", print a new service invoice with an accurate balance, and give the invoice to the Service Manager to reassign to the Service Technician for service.
- When customers call in for additional service, the Customer Service Specialist will check the customer's account for a zero balance, or instruct the Service Technician to collect the balance due when rendering the extra service.

**NOTE: ALL PHONE CALLS AND PAYMENTS ARE TO BE RECORDED IN THE NOTES SECTION OF EACH CUSTOMER'S ACCOUNT.**

## Example of Suspended Accounts

Suspend service after two (2) months with no payment received.

**A.**

| | |
|---|---|
| June Service $30.00 | Balance $30.00 |
| July Service $30.00 | Balance $60.00 |
| **No payment received in June orJuly** | **Suspend Service** |

**B.**

| | |
|---|---|
| June Service $30.00 | Balance $30.00 |
| July Service Skipped | Balance $30.00 |
| **No payment received in June orJuly** | **Suspend Service** |

**C.**

| |
|---|
| Bimonthly/quarterly accounts are considered suspended if they owe for the previous regular service charge. |
| The only exceptin to this is an annual aeration service. |

## Cancellation of Delinquent Accounts

- Two (2) work days prior to the month-end close, and prior to printing invoices, enter a CANCELLATION REQUEST on all accounts on the “Debit Balance by Perm Route Over X Days without 17-60”report appearing in the “OVER 60" and “OVER 90" day columns.
  - **NOTE: THE FINAL COLUMN OF THE REPORT DENOTES CANCELLED ACCOUNTSWITH THE LETTER “C”.**
- Pull the customer hard file from the active files. Print the customer’s Service Activity and Service Activity Payment History reports, and attach to the CANCELLATION REQUEST.
- Forward to the Service Manager to contact the customer. This is to be done the same day the CANCELLATION REQUEST is prepared.

- If the account is saved, the CANCELLATION REQUEST package is returned to the Customer Service Specialist, who will post the resolution to the customer's account, marking the request as "Saved". The customer file is then returned to the active files.
- If the account is to be cancelled, the CANCELLATION REQUEST must be signed by the General Manager. After the General Manager signs and authorizes the account to be cancelled, the Customer Service Specialist will mark cancellation date and reason on the customer's computer account.
- File these unpaid accounts in the Cancelled With Balances file in an appropriate place in the administrative area that is accessible to the Office Manager and Customer Service Specialist(s).

## Bad-Debting Delinquent Accounts

1. An account will be bad-debted and sent to the collection agency only after the following conditions have been satisfied:
    1. All debt (charges) can be supported by invoices.
    2. No arrangement has been reached for satisfactory repayment of the debt.
    3. The General Manager has made a final attempt to contact the customer in person and all collection efforts have been exhausted and documented.
    4. The Multi-Family Office Manager begins to make attempts no later than the 90 day age.  When contacted by the Service Center prior to that age, the Multi-Family Office Manager will also attempt to collect the debt.

2. On the last day of every month, the Office Manager should review a final "Debit Balance by Perm Route Over X Days without 17-60" report and approve the following action:
    1. List the cancelled account on a BAD DEBT ADJUSTMENT form for the next month. Attach this form to the customer's hard file and continue to make collection calls.
    2. Send a COLLECTION LETTER (See Collection Letter) within 24 hours of cancellation. Send this letter by Certified Mail, Return Receipt Requested. Continue to make collection calls.
    3. On or before the 10th of the following month, make a copy of the completed BAD DEBT ADJUSTMENT form as well as the customer's file (for Service Center record keeping), and send the original to the Regional Manager for approval. Continue to make collection calls. A copy of the approved BAD DEBT ADJUSTMENT form will be returned to the Service Center by the 25th

of each month.

4. On the last working day of each month, check each account for which a BAD DEBT ADJUSTMENT form has been approved. Accounts with balances should be posted with the appropriate adjustment code. Notify the Corporate Accounts Receivable Administrator of all paid accounts and request that the original customer file be returned to the Service Center.
5. A copy of the BAD DEBT ADJUSTMENT form should be sent to Corporate Accounting with month-end closing reports.
6. Corporate Accounting will send a final collection letter. If the customer does not respond within 15 days of this letter, the account will be turned over to a collection agency.

**NOTE: ONCE AN ACCOUNT HAS BEEN BAD-DEBTED, DO NOT POST A PAYMENT TO THAT ACCOUNT UNTIL CORPORATE ACCOUNTING HAS REVERSED THE BAD DEBT ADJUSTMENT.**

**CANCELLED ACCOUNTS REMAIN ON THE COMPUTER INDEFINITELY. AT THE CLOSE OF EACH MONTH, CHECK THE "DEBIT AND CREDIT BALANCE TTL BY SERVICE GROUP BY ACCOUNT" REPORT TO VERIFY THAT ALL CANCELLED ACCOUNTS WITH A BALANCE ARE LISTED ON THE BAD DEBT LIST, AND THAT THERE ARE NO CANCELLED ACCOUNTS WITH A CREDIT BALANCE.**

## Returned/NSF Checks

All checks returned for reason of Non-Sufficient Funds should be processed as follows:

- On the same day the check is returned by the A/R Administrator to the service center, return a copy of the check to the customer with COLLECTION LETTER NSF-1 (See Collection Letter NSF). Retain the original check until replacement funds are secured (i.e. replacement check, cash, money order, credit card, etc.), as the original may be needed to enforce collection.
- The Office Manager should set up a file for returned checks so follow-up calls can be made until the customer has sent replacement funds. Copy the collection letter sent to the customer, and staple the returned check to the copy. Note all phone calls in the Notes section of the customer's account.
- Replacement check should be handled as a regular payment check would be handled.

**NOTE: ALL NSF CHECKS ARE AUTOMATICALLY REDEPOSITED ONCE BY THE BANK. DO NOT ATTEMPT TO REDEPOSIT A NSF CHECK.**

# Downloads

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