

**How do you know if your payment collection processes are successful or not?** Many companies simply look at their AR balance to determine the success of their collections. But this doesn’t take into consideration the amounts that are past due versus current amounts. The credit and collection department plays a key role in each of these things. Looking at your department, is it effective in these areas? In order to really measure these things, here's the starting checklist that you can use.

|  |  |
| --- | --- |
| **Elements You Need to Check** | **Checked** |
|  | **Yes** | **No** |
| 1. What is the annual revenue of your company
 |[ ] [ ]
| 1. Check the previous 12 months' average month-end A/R balance
 |[ ] [ ]
| 1. What are the total department operating costs
 |[ ] [ ]
| 1. Previous and current month’s aging by the bucket
 |[ ] [ ]
| 1. Total FTEs for credit, collection, dispute management, and cash application
 |[ ] [ ]
| 1. Total number of active accounts per FTE
 |[ ] [ ]
| 1. Annual total deduction volume, total resolved, the dollar value of valid and invalid
 |[ ] [ ]
| 1. Other work output measurements such as operator call volume
 |[ ] [ ]