

Law Firm Year-end Cash Collection campaigns: The finish line is in sight

If your law firm operates on a calendar year, the finish line is in sight, and December 31st will be here before you know it. If you haven't already been working on improving the firm's accounts receivable status, now is the time to get to work. **Here is a list of steps you can take to prepare and have a successful end of year.**

1. Understand the current status of the firm's A/R and the WIP (work in progress) not just totals, dig into the data and follow the trends. Find Clients who are not paying in-line with payment terms. Seek out the attorneys expecting to receive significant fees and which of those will become outstanding. Communication is key when it comes to working with attorneys.
2. Determine what works well, and seek improvements of your financial operations. Have regular discussions with the collections staff to understand what's working or what's not and make creative changes. Sit down with your collections team and the finance staff and ask them where the bottlenecks are. Collection letters not working? Pick up the phone. Emails bouncing? Send paper letters. Get aggressive with your efforts to collect.
3. Communicate with customers who have outstanding receivables or large unbilled balances. Start by sending them a reminder of your firm's collection policies, remind them of standard terms or terms set forth for each client and explain that collecting the outstanding A/R is not a question, it's an expectation.
4. Report! Develop a suite of reports that tell the whole story of both A/R and WIP, and use the reports to instruct the collections staff where they should be focusing their efforts. Using modern collections software can help inform the collectors and firm management, and it encourages optimal use of your collector's time. Ideal collection software will recommend the next steps that your collectors should take with each of the firm's clients, and provide the reporting needed to manage the process.
5. Make it easy for your clients to make a payment. Spend time reviewing how clients make payments to you. Are you receiving paper checks, wires or digital payments? Find out from your colleagues who post cash, what are the types of payments accepted and if any formats are missing that your customers would use to pay their bills. For example, many Firms are now accepting credit cards to make it more convenient to pay.
6. Utilize a cash forecasting report. The report is the result of conversations (electronic or otherwise) where billing attorneys are forecasting, projecting or making promises about which A/R will be collected or what WIP will soon be in the bill to collections process. It can highlight large invoices and identify ones that will need attention or further conversation for the collections team and firm management. Consider using an automated tool like star*targetCash to develop interactive cashflow reports that the collection team, billing attorneys and law firm management will each provide input to and reports that can be run to manage and improve the year-end collection process.

For more information, please click to contact your [Select*Associates sales team](#), or visit our web site at <https://www.selectsa.com> for more information about star*collect and star*targetCash.