

10 Tips for 2014 from NCS[®]

- 1. R**eview your credit application. Extending credit to customers can be risky; however, a comprehensive credit application containing security language can mitigate that risk and allow you to file a UCC-1 to further secure your receivables.
- 2. E**ducate your credit & sales teams throughout the year by attending the free NCS Webinars, or subscribe to NCS OnDemand and access the NCS Webinars 24/7.
- 3. S**ecure your receivables (inventory, accounts, fixed assets and other collateral) by implementing a UCC Filing Program. A properly perfected UCC filing sets a priority payment in the event of debtor bankruptcy, allowing you to potentially recover hundreds of thousands of dollars.
- 4. O**btain copies of payments bonds & review surety stability. If a project is bonded, a copy of the payment bond will confirm both the obligee (project owner) and the principal (prime contractor). Knowing who is in the contractual chain is critical. The recommended best practice is to obtain a copy of the payment bond when contracting for a project. Getting a copy of the bond up front is prudent; there are no problems on the project, everyone is happy and requesting a copy of the payment bond will be viewed as a normal course of business.
- 5. L**ien Waivers: fully understand the benefits of lien waivers as well as the various types of lien waivers. The primary types of lien waivers are Final Conditional, Final Unconditional, Partial Conditional and Partial Unconditional.
- 6. U**tilize the Preliminary Notice. The preliminary notice is the most common and most effective step in the process for securing rights to money owed for materials or services provided. Did you know that 98% of preliminary notices prepared, as part of a complete process, generate payment without going to suit?
- 7. T**ake the opportunity and file a UCC on your Promissory Notes. A Promissory Note is a signed document containing an unconditional promise to pay specified funds to another party by a specified date.
- 8. I**nformation is critical when securing your lien & claim rights. Be sure to take advantage of Job Information Sheets at the start of each project. It is a simple form, listing all the project information including the names and addresses of the project, the owner, the prime contractors, the subcontractor, etc., and including information regarding payment bonds, lenders, etc.
- 9. O**utsource your secured transactions to NCS. Allow us to design and customize a proactive solution for you that will minimize your risk, reduce your DSO & improve your cash flow.
- 10. NCS** has been your partner for over 40 years. We are the industry leader throughout the U.S. and Canada in commercial collections, mechanic's liens/bond claims and UCC filings. NCS is Securing Your Tomorrow.

For more information: Call 800-826-5256 or Email SecureYourTomorrow@ncscredit.com

Collection Services Group | UCC Services Group | Construction Services Group | Education & Resources