ACCOUNTS RECEIVABLE

In order to maintain cash flow and keep our Accounts Receivable manageable, we are implementing the following policy (Effective April 8, 2016):

A/R Aged – 0 to 30 days old:

- Invoice is emailed to the client – Accounting will email the invoice to the client requesting confirmation of receipt and approval of the invoice. (See sample Invoice Email below)
- If the client responds that the invoice has been received and is correct, Accounting will record the information as a comment on the Accounts Receivable tab for the project in Vision.
- If the client does not respond in 10 business days, Accounting will contact the client via phone and/or email to confirm that the invoice was received, correct, and being processed. Accounting will copy and paste the email and/or record the details of the phone call as a comment on the Accounts Receivable tab for the project in Vision. Copy the ATG Project Manager on emails. (See Email and Phone examples below)

A/R Aged – 31 to 60 days old:

- Once A/R for a project is over 30 days, Accounting will send an A/R Statement along with copies of the Invoice/s to the client. Copy the ATG Project Manager and their Division Manager.
- Accounting will contact the client, either by phone or email. The following objectives need to be identified:

  1. Client's Project Manager confirms receipt of the invoice
  2. Inquire about any issues with the invoice
  3. Client PM identify when the invoice will be submitted to the owner for payment
  4. Client PM/Client Billing Contact give an estimated date of payment

  Accounting will copy and paste the email and/or record the details of the phone call as a comment on the Accounts Receivable tab for the project in Vision.

A/R Aged – 61 to 90 days old:

- Accounting will follow the same process after A/R for a project is over 60 days -- Accounting will send an A/R Statement along with copies of the Invoice/s to the client. Copy the ATG Project Manager and their Division Manager by email requesting that the Project Manager contact the client to check up on the status of payment.
- ATG Project Manager will contact the client, either by phone or email. The following objectives need to be identified:

11500 Metric Blvd. + Bldg. M-1, Ste. 150 + Austin, TX 78758 + 512.821.2081 PHONE + 866.576.0597 TOLL FREE + 512.821.2085 FAX + www.alliance-transportation.com + info@emailatg.com

1. Client's Project Manager confirms receipt of the invoice
2. Inquire about any issues with the invoice
3. Client PM identify when the invoice will be submitted to the owner for payment
4. Client PM/Client Billing Contact give an estimated date of payment

ATG Project Manager will copy and paste the email and/or record the details of the phone call as a comment on the Accounts Receivable tab for the project in Vision.

- Accounting will give the project manager 4 days to provide a status update. If accounting does not receive a response in 4 days, then Accounting will contact the Division Manager. Division Manager will determine actions needed to obtain the information as described above. Project Manager should contact their manager as needed for assistance.
- An assessment should also be made and documented in Vision by the Division Manager and Project Manager whether to stop all work on the project and/or hold any deliverables until payment is received. They should also determine whether interest should be charged on the past due amount/s and inform Accounting of the decision.

<u>A/R Aged – 91 to 120 days old</u>:

- Accounting will follow the same process after A/R for a project is over 90 days -- Accounting will send an A/R Statement along with copies of the Invoice/s to the client. Copy the ATG Project Manager and their Division Manager by email requesting that the Division Manager contact the client to check up on the status of payment.
- ATG Division Manager will contact the client, either by phone or email. The following objectives need to be identified:

1. Client's Project Manager confirms receipt of the invoice
2. Inquire about any issues with the invoice
3. Client PM identify when the invoice will be submitted to the owner for payment
4. Client PM/Client Billing Contact give an estimated date of payment

ATG Division Manager will copy and paste the email and/or record the details of the phone call as a comment on the Accounts Receivable tab for the project in Vision.

- Accounting will give the Division Manager 3 to 4 days to provide a status update. If accounting does not receive a response in 4 days, then Accounting will inform the Controller. All of the information should be documented in Vision.
- In addition, the CEO will review the list of A/R over 90 days and contact clients, either by email or phone, when assistance is requested or as deemed necessary.

- A Report with A/R for projects over 90 days is presented at the Management Meeting on Mondays for discussion and action plan. If Executive Management action is needed, the action plan should include who will make further contact and define type of action to be taken.

A/R Aged – 121+ days old:

- Accounting will follow the same process after A/R for a project is over 120 days -- Accounting will send an A/R Statement along with copies of the Invoice/s to the client. Copy the ATG Project Manager, their Division Manager, and CEO by email.
- ATG Division Manager or Project Manager will contact the client, either by phone or email. The contact objectives as listed above need to be identified.

  ATG Division Manager or Project Manager will copy and paste the email and/or record the details of the phone call as a comment on the Accounts Receivable tab for the project in Vision.
- In addition, the CEO will review the list of A/R over 90 days and contact clients, either by email or phone, when assistance is requested or as deemed necessary.
- A Report with A/R for projects over 90 days is presented at the Management Meeting on Mondays for discussion and action plan.
- If deemed appropriate by Management, Accounting will either write-off the outstanding balance or contact the attorney to discuss the best course of action for collection (demand letter, lien, etc.) based on direction from Management. Copy the ATG Project Manager and Division Manager on emails.
- The client should be marked in Vision as a “bad” client and no further projects performed until outstanding amounts are collected.

INVOICE EMAIL

Good morning/afternoon,

Can you please confirm receipt of Invoice #[Insert Invoice No] in the amount of $[Insert Invoice Amount] for the above mentioned project? Please review the invoice and confirm that everything is correct. If you have any questions/ concerns about the invoice- please let me know!

Thank you,
Kim

[Insert Project Number]

Kim McDonald | Controller

Alliance Transportation Group, Inc.

Building Alliances, Analyzing Possibilities, Creating Solutions

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Accounts Receivable Email

Dear Customer Contact,

This is just a friendly reminder that your account with us appears as past due. Our records indicate that you have a total outstanding balance of $Amount Due with the following invoice(s) overdue:

Invoice #	Invoice Date	Amount
Invoice #	Invoice Date	Amount
Invoice #	Invoice Date	Amount
Invoice #	Invoice Date	Amount
Invoice #	Invoice Date	Amount

Could you please check to see if the accounts payable department has received it? I'll be happy to resend if necessary. If they have received it, we would much appreciate if you could let us know the status of this payment.

Please do not hesitate to call us if you have any questions about the balance due on your account. If you have already sent us your payment, please disregard this reminder.

Thank you very much for your attention to this matter and your continued business.

Sincerely,

Kim McDonald | Controller

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The information in this electronic mail may be confidential and/or privileged. This electronic mail is intended to be reviewed by only the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this electronic mail and its attachments, if any, or the information contained herein is prohibited. If you have received this electronic mail in error, please immediately delete this electronic mail from your system. Thank you.

ACCOUNTS RECEIVABLE PHONE CALLS

► Preparation:

In order for any call to be effective you need to have relevant supporting information readily available to ensure the call is efficient, professional, and productive. You also need to have a goal for the call; your goal could be to get specific information, to get the customer to commit to taking some kind of action, etc. What to have in front of you before picking up the phone:

- The invoice(s) you are calling about plus any supporting documentation (proof of delivery, purchase order, etc.)
- Notes from prior contacts regarding this invoice (if any)
- Customer contact – who to call and their phone number

► Making the initial call

This is your first phone contact with a customer regarding a past due invoice. You will have already sent the invoice and possibly a past-due reminder by mail or email. The objective of this call is to determine the status of the payment and identify any issues that may be delaying that payment. In your own words introduce yourself and cover the following points:

- The invoice number in question
- The amount due
- The date the invoice was submitted
- If they say payment is in the mail, ask for the date it was mailed and the check number
- If the payment has not yet been sent, confirm that they have the invoice, that there are no problems, and ask when the payment will be sent
- Be sure to fully discuss any problems with the invoice and what will be done to correct the problems, take adequate notes to deliver to the project accountant so the revisions can be made
- Always be sure to get the name and title of the person you talk with

► Always take call notes

Record notes of the key points of the call including the time and date as well as any promises made by the customer in Vision.

► Leaving the perfect voice mail

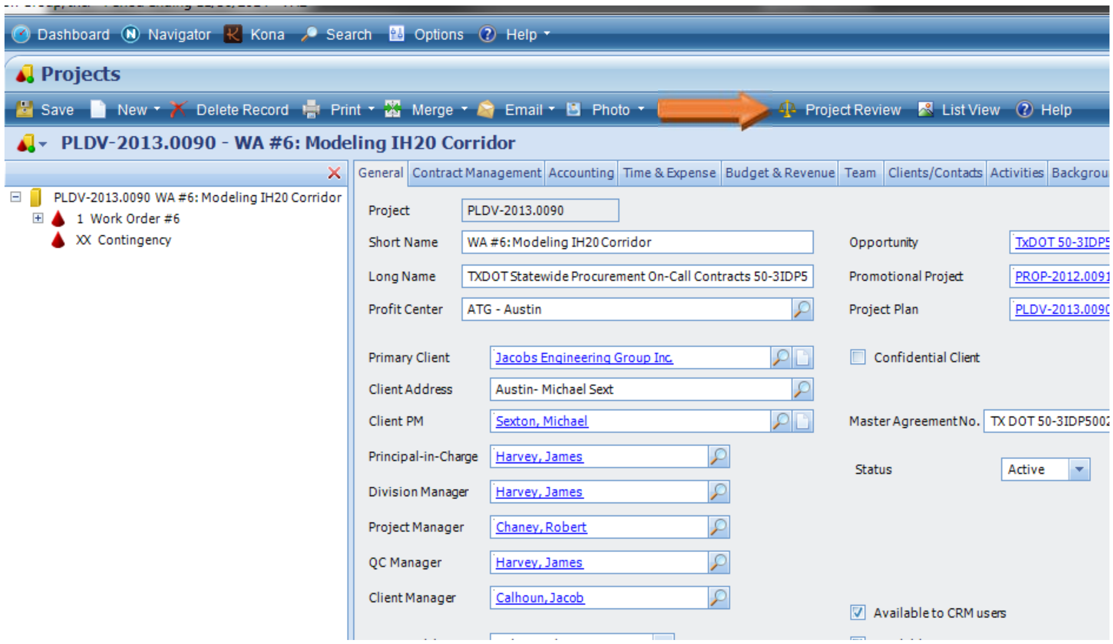
Frequently you will call a company and get voice mail for the person you need to speak with. It's pretty easy to freeze up and leave an awkward voice mail so writing a script to keep on hand will help you make sure you are leaving a brief yet informative voice mail. It may sound something like this:

"Hello {insert contact name} this is {your name} calling from Alliance Transportation Group regarding our invoice number {insert number} for the amount of {insert amt.} that was submitted on {insert date}. Could you please call me back and let me know when this is scheduled for payment? Again this is {your name} from Alliance Transportation Group and you can reach me at 512-821-2081."

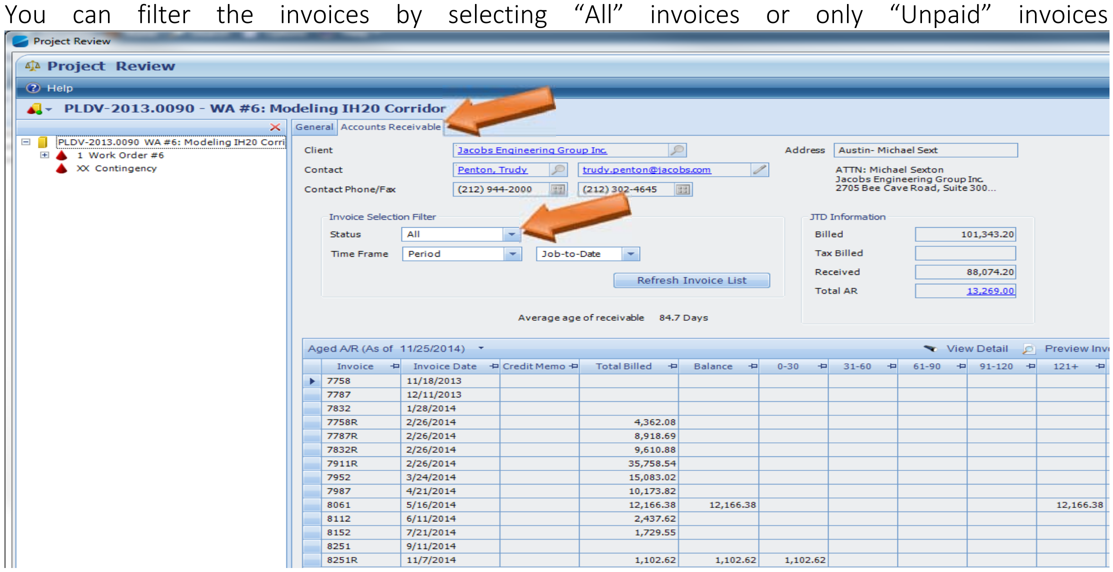
If you have an email for this person you may want to send a follow-up email to let them know you have just left a message and restate the above points. You will also want to attach a copy of the invoice in question to make sure they have it in front of them.

ENTERING AR COMMENTS INTO VISION

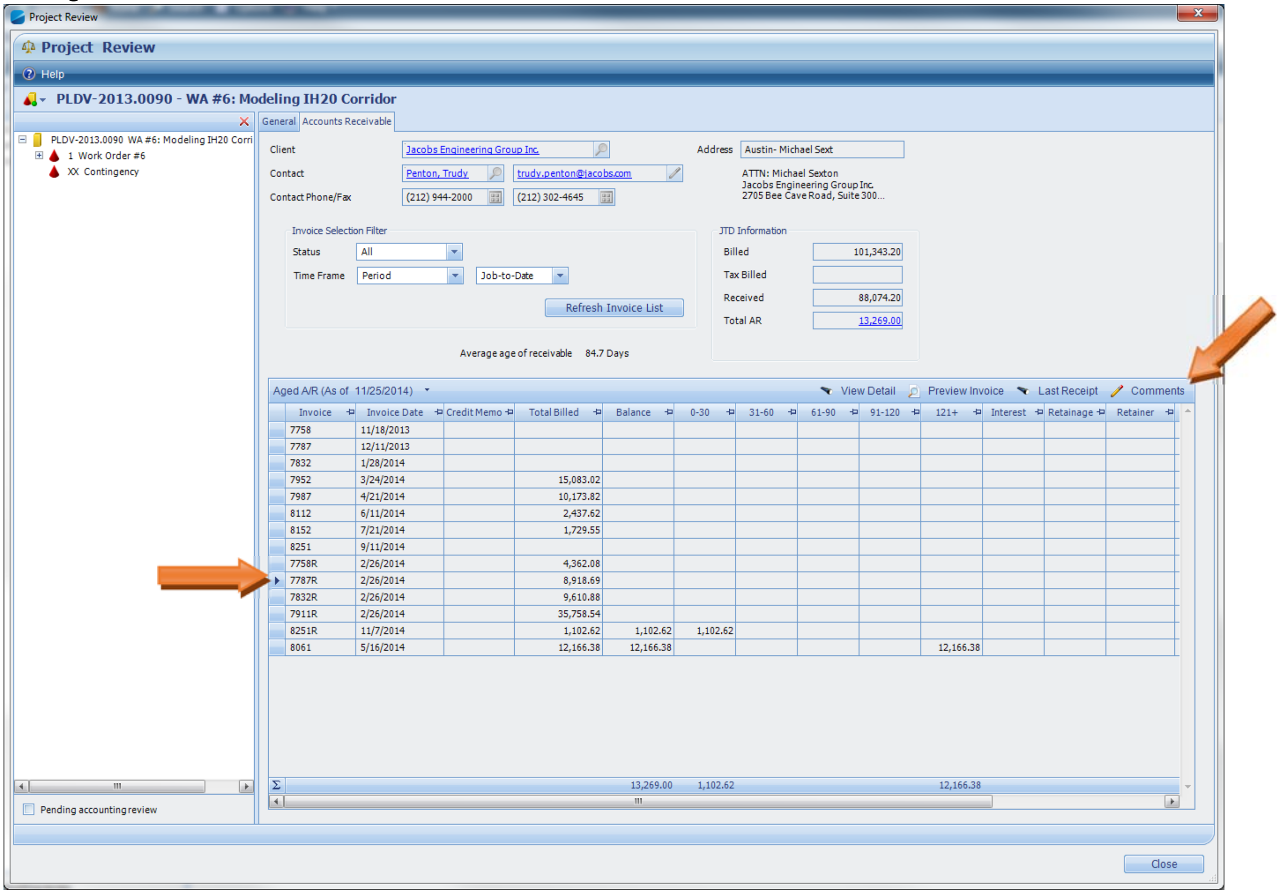
- Begin by locating the Info Center on the Navigation pane to the left side of your vision window
  - Select Projects from the Info Center list
    - Go to the search bar in the upper right hand corner and enter your project name or number
  - Once your project has pulled up go to the ribbon above your project name and select “Project Review”



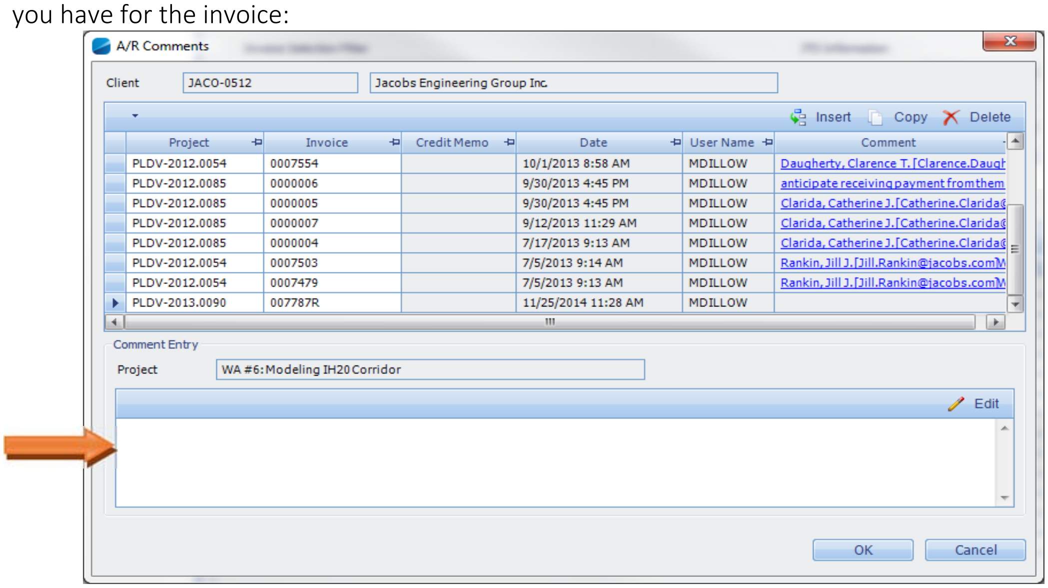
  - A new dialogue box will open; choose the “Accounts Receivable” tab
  - You can filter the invoices by selecting “All” invoices or only “Unpaid” invoices



- You can also sort the invoices by Invoice number, Date, or Total Billed
- Click on the invoice you want to record a comment for then select the “comments” option on the right of the AR ribbon:



- Once the comments box comes up, you can type or copy and paste the correspondence or updates you have for the invoice:



- Include in the comments for good record who you spoke to, what was discussed, when the correspondence took place, and when payment can be expected so that if anyone else takes over following up on your AR's they will have the latest info.
- Hit "OK" when you're done and this will save the comment.
- To View comments for any other invoice, simply follow the same steps, choose the invoice, click on comments and you'll be able to view everything for that invoice.
- Make sure the newest comments are always entered on the top.

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