

Title:

Credit Policy - Rules For Successful Computer Consultants

Word Count:

333

Summary:

Credit policies are set for your protection. Make sure you establish the willingness, ability, and history of payment by establishing clear and concise credit policies.

Keywords:

Credit Policy, Credit-Policy

Article Body:

Credit policies need to be set to protect yourself from non-payment. If you make sure you have clear credit policies from the start you will reduce your risk of nonpayment. To do this there are a few simple rules you should follow:

Rules For Credit Policies

With every written credit policy, include two or three sentences that explain credit is granted subject to credit approval. This way if you grant credit you always leave yourself an out if they refuse to give you a credit application, the credit application is incomplete, or you do a credit check on them and they have horrendous credit. You MUST be able to refuse credit.

Insist on getting a deposit check with the credit application. This credit policy allows you to assess ability and willingness to pay by making sure the check does not bounce.

Your credit policy must ensure you get a complete reference and credit check for each applicant. If you are dealing with brand new businesses that do not have a credit history then your credit policy should maintain that these contracts are done with a credit card. Don't take the chance.

When establishing your credit policy make sure you do to the reference checks. You'd be amazed at some of the things that come back.

Last rule for credit policies; be really conservative with your lines of credit. You can always extend lines of credit, but you can't cut lines of credit without

damaging the relationship. Start low and end high.

The Bottom Line on Credit Policies

Credit policies are set for your protection. Granting credit is a client convenience but ultimately you only want clients that pay you. When you establish your credit policies make sure you cover off these simple rules. They will ensure you get paid and that you remain in business long enough to grant lots of worthy credit.

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