

TaiRox™ Memo

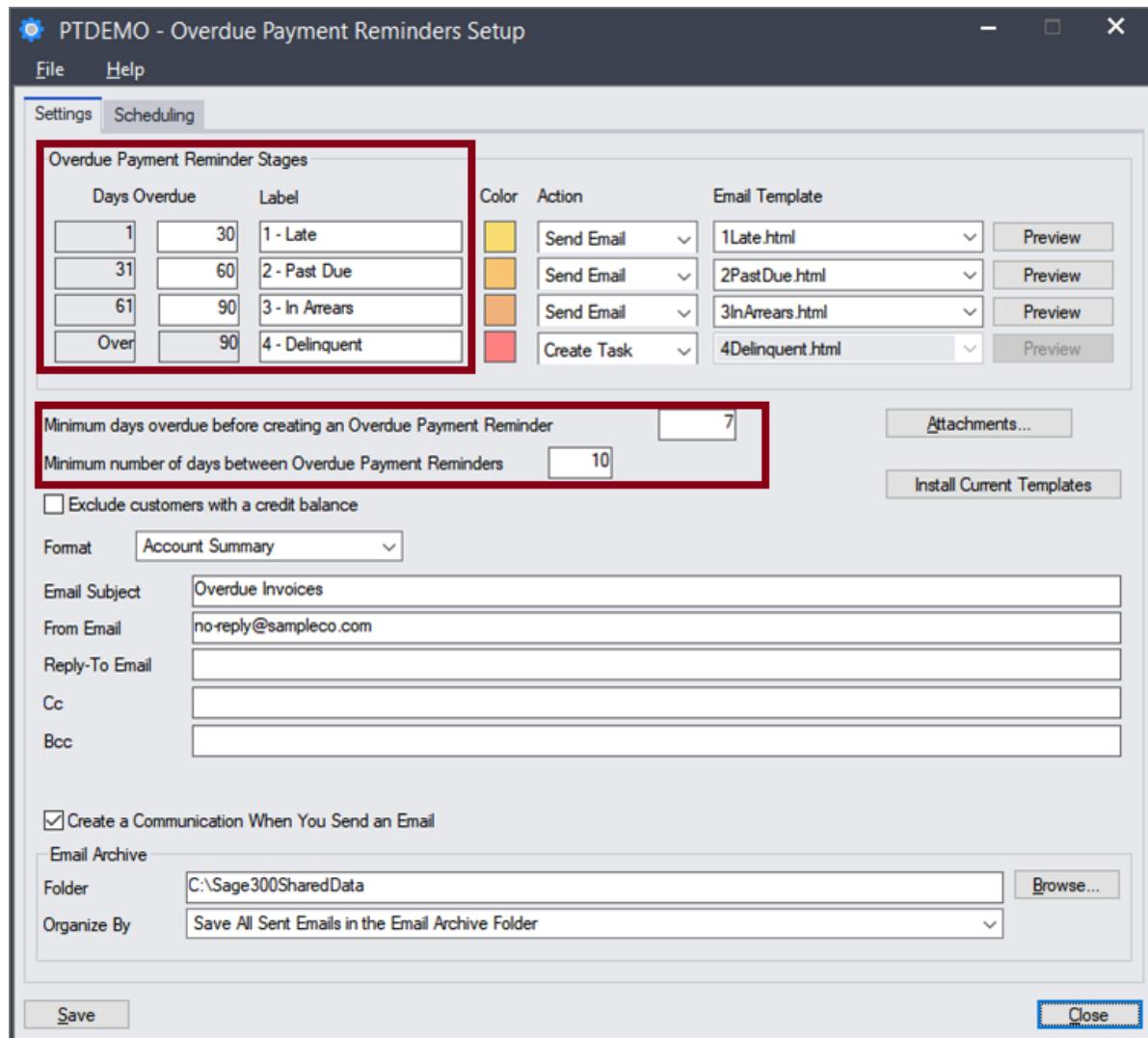
TaiRox Collections Numbers

Summary

Several numbers determine when to create process an overdue payment reminder:

- Minimum days overdue before creating an Overdue Payment Reminder
 - "A Grace Period" for payments arriving a few days after the due date
- Minimum number of days between Overdue Payment Reminders
 - "Spacing" of the email dates.
- Overdue Payment Reminder Stages
 - "30-60-90 buckets" that determine the action taken for stages of lateness

The Grace Period and Spacing numbers can be set on a per-customer basis. This document walks through an end-to-end collections process covering several days to clarify how these numbers interact.



Minimum days overdue before creating an Overdue Payment Reminder (Grace Period)

This number is compared to invoice dates and can be overridden on a customer-by-customer basis.

Minimum number of days between Overdue Payment Reminders (Spacing)

This number is compared to the last overdue payment reminder creation date and can be overridden on a customer-by-customer basis.

Overdue Payment Reminder Stages (Buckets)

The stages determine how late is the payment and what action is taken. **Note** that this does not determine how often a reminder email is sent: the Spacing number determines this.

Example: Grace Period is 7, Spacing is 10, Buckets are 30-60-90

An overdue payment reminder will be created and processed if the system date is more than 7 days later than any invoice due date and an overdue payment reminder has not been created and processed within the last 10 days.

An overdue payment reminder will not be created or processed if the system date is less than 7 days earlier than any invoice date or there has been an overdue payment reminder processed within the last 10 days.

If the overdue payment reminder program is run daily, when an invoice becomes more than 7 days overdue, a reminder will be processed based on the 0-30-day action. If no payment is received after another 10 days (17 days late), a reminder will be processed based on the 0-30-day action. If no payment is received after another 10 days (27 days total), a reminder will be processed based on the 0-30-day action. If no payment is received after another 10 days (37 days total), a reminder will be processed based on the 31-60-day action. Additional invoices that have become late during this time period will be included with action.

You Can Conclude: If you want 30-60-90 buckets and you only want a reminder processed when the stage changes, then set the Spacing number to be 30 (to match the bucket length).