

End of Quarter Is Near: Are Your Accounts Receivables Where You Hoped?

It seems like only yesterday when we gathered around friends and family to toast the start of 2011. If you're like me, you set a number of financial goals for your company, benchmarks in revenue for each quarter...and possibly, you made a resolution to do a better job of collecting your accounts receivables.

As March draws to a close, so too does the first quarter of 2011. Ask yourself: How is your company doing?

Accounts Receivables Basics

Accounts receivables can be a four-letter word in the construction industry. Especially in these cash-strapped times, so many companies fall financially short on projects, which can leave innocent suppliers or subcontractors waiting weeks or months for overdue payments.

It's important to keep two principals in mind when confronted with an overdue account:

- 1) The earlier you start collecting, the more likely you'll collect; and
- 2) An unpaid account can cost your company a lot of revenue, as it takes a lot of revenue to make up for missed profit.

We've written about [collection laws, tips and practices on the Construction Lien Blog in the past, which you can read here](#). It might also be helpful to read some blog posts from another blog I author, the Construction Law Monitor, which also has a "[Collections](#)" category with similar posts.

How Mechanic Liens Help

One bright spot for the construction industry is mechanic lien laws. Unlike nearly any other industry, folks in the construction industry can secure their receivables by keeping up with mechanic lien and preliminary notice requirements.

A few years ago, we wrote a blog post called: [Three Reasons Why It's Critical To Lien](#).

In large part, this post addressed how filing a mechanic lien can help your company collect on outstanding accounts. Two of the three reasons being most pertinent: Liens freeze funds and Liens get all parties involved.

[Zlien.com](#) | Nationwide Notice and Lien Service | Lien Deadline Calculator

Zlien is a national mechanic lien and preliminary notice filing service. Zlien also provides the LienPilot, a web-based lien compliance manager and deadline calculator, and publishes mechanic lien resources.

Filing a mechanic lien stops the flow of payments on the project, which can result in getting your company paid quickly. The filing also gets parties who might not otherwise care about your debt (i.e. the property owner), to care a great deal.

Read this article on the Construction Lien Blog here:
<http://constructionlienblog.com/?p=2286>