

## Late Payment of Invoices

Unfortunately, late payment of invoices is inevitable if you are a freelance teacher. Sometimes the delay may be due to a mistake you have made - you didn't do your sums properly or certain information that is required is missing or not clear.

Most of the time though the delay is not due to anything the teacher has done, but by overworked accounts departments, people forgetting to pass your invoices to the right people or simply because the school or company has an "unwritten" policy of not paying its bills on time.

There are several things you can do if your invoices aren't paid on time, but unless you don't mind losing all your courses with the school or company it is best to tread carefully to begin with and get increasingly tougher if the bill still doesn't get paid.

Here are the steps I would take if one of my bills wasn't paid on time:

- A friendly phone call or personal visit to let the school or company know that your bill is overdue and to check that they have your invoice and you haven't forgotten anything and the sums are OK.
- Send a written reminder (7-14 days) after the bill should have been paid plus another phone call or visit to find out why the bill still hasn't been paid. You can, of course, start charging interest at this point (the standard rate is 2% above the minimum bank lending rate), but I would not do this until I send out a second reminder... and probably not even then unless a fairly large sum of money was involved.
- I would send out a second reminder three to four weeks of the date your bill should have been paid.
- If your bill still isn't paid you should a) send out a third and final reminder or b) consider...
- handing the matter over to a lawyer or getting a "*Mahnbescheid*" (court order to pay) from you nearest "*Amtsgericht*" (local district or municipal court). Now both these options - the lawyer or the court order - will cost you money, but these costs have to be reimbursed by your debtor.

If you decide to take this step, don't forget to take copies of your bill(s) and the reminders with you.

Slapping a court order to pay on a school or client is obviously not going to make you their most popular teacher, so bear in mind that you can probably forget about doing any more work there once you have taken that step.

Your bill will almost certainly be paid, together with interest and the costs you have incurred. If payment still isn't made, the court can, and will, freeze your

debtor's bank account. If the debtor can't pay because of cash flow problems and is a registered company, they will get into even more serious trouble with the courts for not having declared themselves as being insolvent.

The other option you have is to hand your bill over to firm of debt collectors, but they will take their cut and you will be lucky to see 50% of the money you are owed.

Normally, the mere threat of a *Mahnbescheid* is enough to make reluctant or slow payers cough up.

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