

# How to collect debt in the United States

## Due diligence as a prevention method

The Business Practices Education Committee (BPEC) of the American Translators Association urges international translators and interpreters who accept assignments from U.S. clients to check the reputation of their business partners prior to entering into a business transaction. Always make sure you have complete contact data for an outsourcer, including a full address, name of a contact person, telephone number and a verifiable email/website address. While the Association does not maintain its own database of reputable payers, it frequently refers members to the websites Payment Practices (<http://www.paymentpractices.net/>, charges a small annual membership fee) as well as the commercially run ProZ BlueBoard (<http://www.proz.com/blueboard>; annual membership fee required). In addition, there are many international Internet forums for translators in specific language combinations that discuss payment practices.

Much financial damage and trouble can be avoided by doing due-diligence research on potential clients first!

## What to do about collecting debts in the United States

### 1. Communicate

The first step toward collecting debt is to communicate clearly with the client to rule out misunderstandings about payment terms, and clarify how the payment will be made. It is very costly to wire money abroad from the United States and payers will generally prefer to send a check by mail. Direct deposits to accounts are not as customary in the U.S. banking system as in other countries. If you are getting no response from the project manager, move up: contact the company by telephone and discuss the situation with the accounting department. Provide the exact date and purchase order number, offer to resend the invoice, and insist on a solution. If the matter is not immediately resolved, politely but firmly ask to speak with a supervisor. Document all conversations you have with the company's staff, including dates and times and the name of the person you spoke with. You can underscore your intent to document your collection efforts by asking the employee to spell his or her name and verifying internal telephone numbers. Ask for a direct contact in the accounting department "in case there are questions." It is important to remember that collection efforts in this first phase must be polite but firm, with no implication that you suspect bad intent.

### 2. Private collection efforts

If none of these actions produce any results and you suspect the company is intentionally trying to withhold payment, resend the invoice by certified mail, along with a collection letter that restates all the facts in the most concise terms. Clearly label the envelope "First Collection Notice." Include a copy of the purchase order, copies of emails, and logs of conversations with project staff. Your collection letter should state specific steps you intend to take if the payment is not authorized by a specific deadline:

- You will inform your colleagues on relevant websites and discussion lists,
- Notify the national/regional/local business association (search [www.chamberofcommerce.com](http://www.chamberofcommerce.com) for specific local listing), and
- Contact the local "Better Business Bureau, ([www.bbb.org](http://www.bbb.org); contains many helpful hints)

If other translators have already had problems with the company, contact them privately to determine whether a specific pattern of non-payment exists. Get in touch with other translators living in the country where the company is located, and ask for their advice.

If payment is still not forthcoming after the deadline you established in your collection letter, be sure to keep your promises: post messages on payment lists, being careful only to state the facts; send the company a copy of all your messages and letters, restating the reason for your actions; and follow up with a second or even third collection notice. With some persistence, you should finally get the money that is rightfully yours.

### 3. Commercial collection efforts

There are a number of commercial debt collection agencies in the U.S. Some operate nationwide and others serve specific regions. Keep in mind that these agencies charge a commission for their work, which means that it makes little sense to use their services to collect small amounts.

### 4. Small claims courts

The amount of unpaid bills that can be collected through local small claims court varies by state — some states have minimums of \$1,000; others start at \$2,500 and run up to \$10,000. However, this option is difficult to use for non-residents and is unlikely to produce success when attempting to collect debt from abroad.

Submitted by: American Translators Association