Letter from…

Kim Lancaster, CCE
CFDD National Vice Chairman, Member Services and Publicity

Warm wishes for a happy and healthy holiday season!

What a wonderful 2014 this has been for your National Board. We have come together as a TEAM, achieving more as we work side by side to build up this great organization. As your National Vice Chairman of Membership and Publicity, it has been an honor and a privilege to serve you. We have some upcoming dates for you to keep in mind, so here is a gentle reminder to mark them on your calendars.

The March 16, 2015 deadline for the CFDD National Scholarship nominations and National Program Awards entries will soon be upon us. Chapters should be submitting for the following categories: regular monthly meeting, special seminar, newsletter award and DMA. As individuals, we should also be pulling together information on applying for a CFDD National Scholarship. This year we offer three applications: (1) the regular scholarship (for those with three years or more in credit and collections); (2) new to the credit and collection field application (for those who have less than three years in the credit and collection profession); and (3) the newest application, for members without company support. Please visit the CFDD website for copies and details on how to complete the applications. Remember, all scholarship applications are based on achievement and need. If you have any problems completing the applications, be sure to give your Area Directors or me a call. We will be happy to assist you.

Also, starting in January, each chapter will be responsible for selling fundraiser raffle tickets for one paid registration to NACM National Credit Congress & Expo held May 17-20, 2015 in St. Louis, MO. Tickets are $10 each and 100% of the proceeds will go to the CFDD National Scholarship Fund. The deadline to purchase tickets is February 20. You just need one ticket to win BIG! Please support your education fund. It pays to be a member! Don’t forget to also purchase your CFDD luncheon ticket when you register for Credit Congress. Please plan to attend.

Finally, as we change officers at our local chapters in January, I would like to remind you of the National CFDD Educational Programs offered on the website. These free programs can be taught by anyone in your CFDD chapter. The programs are already certified with CEU and CCE recertification points. What better way to start out a new year than with great material and even greater teachers, friends and teammates from our own chapters.

In closing, here is my holiday wish for you and yours, “May you never want for anything, but if you do want something, let it be Love, Peace, Harmony, Kindness, Faith, Truth and the Hope of Eternal Life.”
A successful accounts receivable process is truly the lifeblood of every business. Without a consistent revenue stream, a business will fail. A common misconception is that the accounts receivable process is about placing accounts with a collection agency or with an attorney. But the best collection results come from a credit department that has a well-organized, carefully documented, credit and accounts receivable process. Proper documentation on the front-end can help minimize or prevent collection problems from arising later on. Indeed, the process of collecting receivables begins before credit is extended. From the initial decision to extend credit, to the ultimate collection of the receivable, credit managers must develop an effective and efficient accounts receivable “process.”

Credit Policy
Many companies do not have written credit policies. This is, in part, a function of the mistaken belief that creating a written policy is either not worth the effort, or, that once in place, the policy will go unobserved. There are many advantages to developing a written credit policy, including ensuring consistency, continuity and predictability within both sales and credit departments. Each credit policy will be unique, so it is critical for credit managers to evaluate their company’s individual requirements for the extension of credit. A written credit policy can also be an extremely effective tool for determining credit limits and when to impose credit holds. Additionally, a written credit policy with parameters for when accounts are placed with agencies and attorneys will assist with improving overall collection rates.

Credit Application
Every new customer seeking to purchase products and/or services on account should be reviewed for creditworthiness. A well-written credit application will provide information that will assist with this process. Once signed by the debtor, a credit application will also constitute a contract that establishes the terms and conditions between the parties for the purchase of goods or services “on account.” A credit application is a valuable tool to determine creditworthiness. The credit analysis begins with the quantity and quality of the information gathered.

Personal Guaranty
In addition, the credit application may include a “personal guaranty.” A signed personal guaranty will reduce the risk of nonpayment by the corporate debtor. The guaranty may be incorporated into the credit application, or it may be a stand-alone document. A guaranty is an agreement where one party agrees to act as a surety for another and provides the creditor with another source of recovery in the event the debtor fails to make his or her payments.

Security Agreements
Credit managers should also consider the use of security agreements. In a secured transaction, the debtor promises to pay the creditor and agrees that if the debtor defaults in making payment, the creditor may take possession of certain designated property of the debtor, sell that property and use the proceeds to satisfy the debt.

Coordination Between the Sales and Credit Departments
The sales and credit departments are often at odds concerning whether the credit department should approve an order. The credit department’s primary function is to assess the customer’s risk factors, but the sales force usually just wants the order approved, regardless of the risk. The most effective order approval process occurs when the sales department assists the credit department in gathering as much information about the potential customer as possible.

---

**CFDD NATIONAL’S EDUCATIONAL PROGRAMS**
Now available, CFDD National’s Programs free of charge!
Program topics include:

- Antitrust and You
- Ethics—It’s a Matter of Choice
- Business Etiquette
- Mediation—An Alternative to Dispute Resolution
- Selling Marginal Accounts—Are the Rewards Worth the Risk?

These programs can be conveniently downloaded from the [CFDD Members Only](https://www.cfdd.org) Area of the CFDD National website. Please check out these timely resources!

---

**Reminder to All CFDD Chapters**
As CFDD chapters elect new boards of directors, please keep CFDD National in the loop!

Please send an email to National ([cfdd@nacm.org](mailto:cfdd@nacm.org)) with contact information for all newly installed board members.

We appreciate your help in this matter.
Demand Letters
Once an invoice is sent, most businesses have an internal procedure to follow up with customers that become delinquent. The first step typically includes sending a “past due” or “reminder” notice reflecting the fact that the invoice remains unpaid. After the credit department has sent a past due notice and perhaps made a follow up reminder telephone call, the next step is to send a letter that demands payment of the unpaid balance. Some businesses prefer to send this letter internally, meaning on company letterhead. Other businesses prefer to hire a third party to assist with this process.

Placement of Accounts
There are many different types of collection agencies and legal counsel available to make demands and prosecute claims in court. Collection agencies handle debt collection, including filing suit by engaging counsel for the creditor. Collection agencies typically operate through a contingency-driven economic model, meaning they seek to receive a percentage of the debt as compensation for their services. For disputes with larger amounts in controversy, creditors may consider directly hiring an attorney on an hourly basis. The decision to hire an hourly attorney versus a collection agency is driven by a classic cost-benefit analysis.

Monitoring Placed Accounts
The collection process does not end by placing the account with either a collection agency or a law firm. It is important to monitor these accounts as follows:

1. Obtain written periodic status reports;
2. Review of the status reports;
3. Evaluate recovery results.

Conclusion
By maintaining a well-organized AR process, the credit manager will most effectively ensure a consistent revenue stream for the business.

Submitted by Randall K. Lindley and Kelsey A. Magee, attorneys with Bell, Nunnally & Martin, LLP

---

AWARDS & ACHIEVEMENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>MEMBER</th>
<th>COMPANY</th>
<th>AWARD/ACHIEVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas/Ft. Worth</td>
<td>Stacy Evans</td>
<td>Morrison Supply Company</td>
<td>CBF</td>
</tr>
<tr>
<td>Dallas/Ft. Worth</td>
<td>Cayla Haines</td>
<td>Morrison Supply Company</td>
<td>CBF</td>
</tr>
<tr>
<td>Dallas/Ft. Worth</td>
<td>Darci Scaggs</td>
<td>Morrison Supply Company</td>
<td>CBF</td>
</tr>
<tr>
<td>Direct Member</td>
<td>D’on Maroney</td>
<td>Rio Grande Co.</td>
<td>CCE</td>
</tr>
<tr>
<td>Minneapolis/St. Paul</td>
<td>Wade Rynning</td>
<td>Ryerson Inc.</td>
<td>CBA</td>
</tr>
<tr>
<td>Portland</td>
<td>Melanie Etzel</td>
<td>Cascade Nut &amp; Bolt</td>
<td>CBF</td>
</tr>
<tr>
<td>Portland</td>
<td>William Heintz</td>
<td>Tec Equipment, Inc.</td>
<td>CBF</td>
</tr>
<tr>
<td>Portland</td>
<td>Eve Sahnow</td>
<td>Orepac Building Products, Inc.</td>
<td>CBF</td>
</tr>
<tr>
<td>Wichita</td>
<td>Jennifer Kohn</td>
<td>Hustler Turf Equipment, Inc./Excel Industries, Inc.</td>
<td>CBA</td>
</tr>
</tbody>
</table>

CFDD NEWSLETTERS
Did you know that you can access not only the National CFDD newsletters, but also other chapter newsletters from the National CFDD website? Need a fresh topic for an upcoming meeting or a new fundraiser idea? Is your chapter ready to launch its newsletter, but needs some direction? Check out what other chapters are doing by logging onto the CFDD Members Only Area and clicking on Chapter Newsletters from the menu on the right.
CFDD: Key Component of Success!

As a new member to CFDD and coming from a totally different employment history and background, I can honestly say that my involvement with CFDD and its industry trade groups will be a key component of my success within the credit industry.

Attending the meetings provides invaluable information on industry trends. Equally valuable are the relationships, networking and mentoring amongst other credit professionals. I anticipate that my attendance at meetings will play an integral part in my credit career as I plan to take advantage of all the services this vast organization provides, such as education, support and peer input.

The monthly meetings are also very informative, fun and dynamic. The board members are always extremely helpful and care about the quality of information they provide—they go the extra mile in providing up-to-date information that allows for best practices in our places of work.

On a more personal level, I enjoy coming to the meetings and also being part of this group. I plan to continue as a member and nurture everlasting relationships where I can grow and prosper for many years to come.

Submitted by Margarita Gutierrez, Dallas/Ft. Worth Chapter and Credit Accounts Receivable, Oldcastle Texas.

Direct Membership is WORTH IT!

I originally joined CFDD back in the Dark Ages. At the time, the chapter in Denver was known as Credit Women of Denver. Some wonderful women made sure from the start that I was involved and before I knew it, I was on the Board and became President in 1989. Soon after that my life and my career changed drastically. I became one of those members who went to meetings (once in a while) and then I let my membership lapse for a multitude of years. I can truthfully say that my life and my career suffered from not being involved with CFDD.

I rejoined the Denver Chapter in 2010. As with most chapters across the country, our numbers had declined drastically—despite the superhuman efforts of some of our Board members. We finally had to admit defeat and as of December 31, 2013, the Denver Chapter of CFDD was dissolved. It broke our hearts because our chapter had been founded in 1938.

As part of disbanding the chapter, we paid for all existing members to continue as Direct Members for one year. I'll admit that I was leery about whether or not I could get anything out of being a Direct Member. Along with another Direct Member from Denver, I attended the Annual CFDD Conference in Minneapolis in September. We approached National Board members with our questions and concerns. Their response was immediate and genuine. Direct membership is one of their key issues for this next year.

Throughout the conference, I realized, once again, that CFDD is worth every penny of my membership costs. With or without a “home chapter”—the camaraderie, mentoring, scholarships and educational opportunities are truly priceless!

The thing all CFDD Members, Direct or otherwise, need to keep in mind is, “The results you achieve will be in direct proportion to the effort you apply.” – Dennis Waitley

Thank you!

Submitted by D’On Maroney, CBF, Direct Member and Credit Manager, Rio Grande Co.

NOTIFICATION OF A DUES INCREASE

In 2011, The CFDD National Board unanimously voted for a National dues increase. Rather than imposing a larger increase in dues all at one time, it was decided, after some discussion, that dues should be raised in smaller increments over the subsequent four years. In accordance with that decision, CFDD National dues will increase $2.50 per member in 2015. The chapters will be billed $75 per member reported, and for direct members, dues will be $85.

Each chapter has the ability to pass along this increase to its membership, or it may decide to cover the cost. If you have any questions regarding the dues increase, please feel free to contact any member of the CFDD National Board.
CFDD National Fundraiser

2015 NACM Credit Congress Registration
America’s Center, St. Louis
May 17-20, 2015

$10/each

Tickets will be distributed to all chapters by the end of December to sell locally to members of CFDD and NACM.

Please contact your Chapter President to purchase a ticket today!

Tickets on sale until February 20, 2015

Drawing to be held at NACM-National Headquarters

Winner will be notified immediately following the drawing and will be announced in the April issue of the CFDD-National Newsletter

All proceeds will support the CFDD National Scholarship Fund

Open to all members of CFDD and NACM

Opportunity for chapters to award a local scholarship!
I recently went through the educational and participation requirements to achieve both my CBA and CBF designations. Many times throughout the process I asked myself why I was working toward those goals. Many long nights up late reading, hours of studying and time away from my desk were all factors creating doubt about continuing. Now that I have completed these two goals, I can look back and no longer need to wonder why.

During the process, I was given the opportunity to work with and meet some of the most talented and knowledgeable people in the industry in my classes, study groups and other venues. For curriculum requirements, I was lucky enough to be able to utilize the courses offered through NACM Oregon. More than simply taking an online class, the classes were presented in a real classroom. Although the courses were challenging, the topics were relatable because the instructors all had real world experience that is not available from anyone outside of our industry. In addition, the support and endless encouragement I received from the NACM organization is one of the most career-confidence-building aspects I have experienced.

More important than the class instruction I received was the interaction among my peers as I progressed through the certifications. I was lucky to meet some extremely qualified, experienced people who were also working toward certification. They really helped push through the coursework and study for the exams in a way that did more than simply give me answers on a test—we constructively argued until the concepts really sank in. In this manner, I saw firsthand what it takes to come together to create a whole that is more than the sum of its parts.

Finally, the roadmap points required to qualify for the CBF exam were also beneficial. Instead of simply checking off classes and exams, the participation requirement forced me to get more involved in the credit community. Until you have taken the opportunity to get involved, you do not know how much more is out there. Organizations such as CFDD, NACM and industry credit groups offer a system of support and camaraderie that is different from what you get from coworkers or outside the profession. By having the requirement to participate in order to obtain certification, I have been exposed to an extremely valuable asset for the rest of my career.

In all, the entire process has really given my career a fresh start. My knowledge has been augmented, which, in turn, increased my confidence. More than anything else, however, the people I have met along the way who have supported me as I worked toward these certifications have granted me a strength I would never have had if I had not gone through this program. I look forward to continuing on toward the CCE designation!

Submitted by Bill Heintz, CBF, Portland Chapter, and Credit Collection Specialist, TEC Equipment, Inc.

---

2014 Payments Fraud Survey Results

The Federal Reserve Bank of Minneapolis recently conducted a Payments Fraud Survey, the results of which are now available. This survey was part of a broader effort conducted by the Federal Reserve Banks of Boston, Chicago, Dallas, Minneapolis and Richmond. Amanda Dorphy, Senior Payments Information Consultant and CFDD Conference speaker, provided us with the survey results, along with consolidated results and other educational materials, which may be found here.

The Minneapolis Bank’s regional survey results show that financial institutions and companies continue to be concerned about payments fraud and work hard to mitigate it. Although payments fraud attempts and losses are widespread, aggregate fraud losses are relatively well controlled. Cards and checks continue to be the payment instruments most prone to attempts and losses; however, signature debit cards lead the other instruments by a significant degree. The survey will be repeated again in 2016.
CFDD Phoenix
Second Annual Dress for Success
The Phoenix Chapter had a very successful night this month as it raised $400 for its scholarship fund. Macy's partnered with the chapter again for a second year. The member models were very stylish and gave a presentation on the importance of dressing for the job you want and making sure your shoes are polished and presentable.

The chapter held a dessert auction and a silent auction and gave each guest prizes just for coming out to enjoy the fun. Rudy Apodaca won the grand prize of Phoenix Suns tickets, a parking pass and entry to the lounge that hosts complimentary food and beverages. The chapter thanks all who participated and helped raise money for the scholarship fund that provides educational opportunity for all members.

High Honors for Georgeann Weinhandl
The highlight of the meeting was the announcement that Georgeann Weinhandl, CCE was voted by the board to be an honorary member upon her retirement from Freeport-McMoran Copper and Gold in early 2015. Georgeann is currently the Hospitality Chair and takes the position to heart. Her outstanding dedication to the chapter is worthy of this honor. Georgeann's enthusiasm is contagious and the chapter wishes her the best in her retirement.

CFDD Portland
The CFDD Portland Chapter would like to recognize three new CBF designees: Melanie Etzel, Bill Heintz, Eve Sahnow. Congratulations to all.

CFDD Seattle
The Seattle Chapter held its annual Holiday Silent Auction/Ugly Sweater Contest and raised over $550 from the members. In the process, it also had a lot of fun! A hot chocolate bar complete with a splash of a “little something extra” from the bartender for those who were interested added to the enjoyment.

CFDD Witchita
Congratulations to Jennifer Kohn who recently earned her CBA. The chapter is very proud of her accomplishment.

Great food and sunshine were enjoyed while playing Credit Bingo at Wichita’s Picnic in the Park in September.

Chapter News

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>TOPICS</th>
<th>National Board Member</th>
<th>National Board Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas/Ft. W</td>
<td>Sales and Credit Relationship: Bridging the Gap</td>
<td></td>
<td>Roundtable Discussion</td>
</tr>
<tr>
<td></td>
<td>Best Practices Roundtable Discussion</td>
<td></td>
<td>Private Investigator</td>
</tr>
<tr>
<td></td>
<td>Work Smarter—Not Harder</td>
<td></td>
<td>Attorney</td>
</tr>
<tr>
<td></td>
<td>Digging up Dirt on Customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Small Claims Court Procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Silent Auction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Program Picks
It is the largest gathering of business credit professionals in the country—where the focus is on education, networking, and growing the unity and influence of the credit community. You’ll be inspired by the best credit experts in the country. Come celebrate all this and more with us this coming May!

**NACM’S 119th Annual Credit Congress & Expo**  
May 17-20, 2015  
America’s Center  
St. Louis, Missouri

**Hotel info:**  
The Renaissance St. Louis Grand for $159/night, 800-468-3571 or [online](#)  
Hyatt Regency St. Louis for $135/night, 888-591-1234 or [online](#)  
Please reference **NACM Credit Congress** to secure the conference rate.

Attend the CFDD Luncheon on May 19!
You are invited to participate in the monthly Credit Managers’ Index (CMI) survey of U.S. credit and collection professionals. Each time you take the survey, you receive 0.1 point toward your NACM Career Roadmap. Contribute to the CMI and have your experience count.

The results from the survey are processed and presented each month in NACM’s eNews, Business Credit magazine and at www.nacm.org. Since its inception, the CMI has been a startlingly accurate economic predictor, proving its worth most notably during the recession.

The survey asks participants to rate whether factors in their monthly business cycle—such as sales, new credit applications, accounts placed for collections, dollar amount beyond terms—are higher than, lower than or same as the previous month. The results reflect the entire cycle of commercial business transactions, providing an accurate, predictive benchmarking tool.

All credit and collections professionals are invited to take the survey each month during the timeframes listed below. NACM membership is not required.

Read more about the CMI here.

### Upcoming Survey Dates

<table>
<thead>
<tr>
<th>CMI Timeline</th>
<th>Survey Opens</th>
<th>Survey Closes</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Mon, January 19</td>
<td>Fri, January 23</td>
</tr>
<tr>
<td>February</td>
<td>Mon, February 16</td>
<td>Fri, February 20</td>
</tr>
<tr>
<td>March</td>
<td>Mon, March 16</td>
<td>Fri, March 20</td>
</tr>
</tbody>
</table>

---

**CFDD Mission Statement**

The mission of the NACM Credit and Financial Development Division is to develop tomorrow’s business leaders through core offerings.

**CFDD Vision Statement**

To be a leading provider of professional development opportunities through learning, coaching, networking and individual enrichment.
CFDD Logo Items

Searching for that perfect gift that combines practicality, value and pride? Look no further than CFDD’s extensive selection of logo items! From mouse pads to umbrellas, CFDD logo items can satisfy even the most discerning recipient. They also make great gifts for speakers and special guests. Don’t delay! Browse the CFDD logo item web pages, part of the online NACM Bookstore, and purchase merchandise that reflects your investment in the CFDD professional credit community!

CFDD logo items currently available:

- Acrylic Desk Tray ($10)
- Aluminum Card Case ($8)
- Business Card Album ($15)
- Can Holder ($2)
- Cork Mouse Pad ($10)
- Flashlight ($15)
- Luggage Grip ($2)
- Mesh Bag ($10)
- Metal Pen and Pencil Set ($15)
- Robotic Book Light ($5)
- Super Mini Umbrella ($15)
- USB Drive ($15)
- Wired E-Gadget Portfolio - Black Leather ($30)

NEW!