

It's Your Money, Isn't It?

by Dan A. Richards

It's tough enough running a business—large or small—without the headache of having to chase customers for payments. The “cost of doing business” continues to rise. Insurance rates skyrocket. Local and federal regulations cost business owners more time and money each year.

“Chasing customers for payments is a widespread problem for childcare providers.”

Utilities go up. Supplies and materials never go down. And payroll is always an issue. Keeping more of your generated revenue is the cornerstone of a successful business. Getting the revenue to begin with is the cement that holds it all together.

Chasing customers for payments is a widespread problem for childcare providers. When parents owe the childcare center money, they can be tough to catch, sneaky and quick. They enter the center in ‘stealth mode’ and attempt to get out under the radar. Childcare center owners and operators continually confront parents with payment issues. The emotional bond the childcare provider has with the children in their care makes these confrontations difficult and awkward. Center operators have patience, become flexible out of necessity. They're compassionate but they have bills, too.

The insurance company has no patience. You either pay the bill or your coverage lapses. Utilities are not flexible. They get their money or

you're reading by flashlight to a bunch of kids wearing earmuffs. Food suppliers rarely show compassion. Either pay the bill or you're serving Saltines and water. Operating a successful childcare business depends upon your customers paying their bill in a timely fashion—when it's due.

After all, it's your money isn't it? You earned it.

In this, the ‘Electronic Age’, childcare centers across the nation are tackling the payment collection problem like an NFL linebacker. And having success. They've stopped writing off bad debt. They're hearing the words “Automatic Payments” not “I forgot my checkbook again.”

The insurance company, the utility provider and many vendors offer their customers—and expect them to use—automatic payments. Why do you think utility companies, car manufacturers and banks have automated billing and payment systems? It's their money.

Though touted as a “convenience” to the customer, automatic payments are designed with the business in mind. True, automatic payments are convenient, but convenience is merely the bi-product of a system built for business. By collecting payments automatically, the business is assured of two things—getting the money they're owed and getting it on time.

Electronic Funds Transfer, or EFT for short, has long been used by big business to automatically move money from one bank account to

another, one time zone to another, or one coast to another. Now, childcare centers large and small are collecting payments automatically. Parents make their payments on time whether they remember their checkbook or not.

Retailers—and just about any other business—accept credit cards in an effort to streamline how they collect their money. Childcare centers are learning to streamline, too.

By automatically billing a customer's credit card, the center is getting its money and getting it on time. The parent has the convenience of using their credit card while earning miles or some ‘reward’ for paying their tuition.





When you collect tuition automatically you won't have to hound parents for payments anymore.

You'll spend more time doing what you do best — teaching finger painting to our next generation of artists.

Some centers use EFT to collect their payments while others accept credit cards. Many use *both* to eliminate the headache of chasing parents for payments. By collecting childcare payments automatically, precise payment schedules are defined. Parents understand these schedules and plan for them. No longer will Billy's father claim, "I wasn't sure if tuition was due before or after the full moon."

By accepting automatic payments, centers receive NSF or credit card rejection notifications in a fraction of the time it takes when a parent writes a check they can't cover. The center isn't continuing to provide care—thinking they've been paid for their services—while the bad check snakes its way through the system, only to rear its ugly head two weeks later.

The opportunity for theft is removed when payments are automatically collected. An employee can't 'pocket cash'. They can't steal or alter checks. There's no cash lying around, no checks to be seen.

When centers collect payments automatically, the childcare provider enters into a legally binding agreement with the parent. A parent can't simply pull their child out of the center after having found cheaper care or attempt to skip out on a payment, leaving an unpaid balance in their dust. By collecting payments automatically, centers can—and do—collect those unpaid balances before the dust settles.

How quickly a center can collect and use its revenue is critical to its survival. It can take up to five days for funds from deposited checks to be available to the center. Turn around time on

electronic funds is usually 72 hours—in rare instances, some services get you the money in 48 hours or less. This could mean the difference between a center running like a well-oiled machine or one running on a hope and a prayer. It could be the difference between making payroll or not. Automatic payments move the childcare center's invoice to the top of the parents' pile of bills each week.

As they're working on their budget, parents start with two stacks on their desk or dining room table. One stack is a pile of bills that need paying. The other stack is a pile of money. The reality is, for most households, one stack is larger than the other. Parents—in an effort to cover more bills with less money—shuffle invoices like a Vegas blackjack dealer. When the shuffle is complete, the childcare bill is often buried under the SUV payment, the mortgage and the cable bill. Automatic payments put the center's invoice on equal footing with car payments and mortgages.

When you collect tuition automatically you won't have to hound parents for payments. Instead, you'll spend more time in the classroom. You'll spend more time doing what you do best—teaching finger painting to our next generation of artists. You'll learn first hand, from the kids at your center, which brand of paste really does taste better. You'll spend more time handling employee issues, whether it's behind closed doors or on opposite ends of a jump rope. You'll have more time to do your job.

You'll greet parents, rather than chase them. No more preparing a deposit everyday as payments trickle in days and weeks behind schedule. Stop holding checks until you find time to process them. Quit driving across town—sometimes daily—to stand in line at the teller window. Stop reminding parents to pay their bills and then hope it gets done.

Instead, with the click of a mouse, start collecting payments automatically.

Because it's your money, isn't it?

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Dan Richards is the Marketing Director for Tuition Express™.

Tuition Express™ is a registered trademark of Professional Solutions, developer of ProCare Childcare Management Software.

Tuition Express™ is an automatic payment collection feature that works directly within ProCare for quick, easy, and affordable payment processing.



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