



NAMFS understands that delayed or unpaid invoices can create operational and financial challenges for independent contractors and service providers. To assist contractors in addressing delinquent payments, NAMFS recommends a structured approach that includes reviewing contractual obligations, maintaining strong accounts receivable practices, and understanding when escalation may be appropriate.

Below are several recommended steps to help contractors manage outstanding invoices effectively.

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### **1. Know and Validate the Entity Before Signing a Vendor Agreement**

Before entering into a vendor or contractor agreement, it is important to confirm that the company you are contracting with is a legitimate and properly established business entity. Conducting basic due diligence can help reduce the risk of future payment issues.

Contractors may wish to review or confirm the following:

- Legal business name and registered entity status
- State registration or Secretary of State records
- Business address and contact information
- Length of time the company has been operating
- Industry reputation and contractor feedback
- Whether the agreement is with the parent company, subsidiary, or a third-party platform
- The company's standard payment cycle and vendor onboarding requirements

Understanding who you are contracting with and how they operate can help set realistic expectations regarding payment processes and accountability.

[Business Entity Search](#)

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## **2. Review the Client's Vendor Agreement**

Before pursuing recovery actions, carefully review the payment terms within your vendor agreement with the client. These agreements often define how invoices must be submitted and how disputes or delays must be handled.

Key items to review include:

- Payment timelines and billing cycles
- Invoice submission requirements and documentation standards
- Dispute notification procedures
- Offset or adjustment provisions
- Required written demand procedures
- Arbitration or mediation clauses
- Jurisdiction or legal venue provisions

Some agreements require that contractors provide formal notice or follow specific dispute procedures before engaging third-party recovery services.

[Review NAMFS Guidance](#)

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## **3. Confirm Invoice Compliance**

Ensure your invoice meets the client's requirements, including:

- Correct work order or job reference numbers
- Required service reports, photos, or documentation
- Approved service scope and pricing
- Proper invoice formatting and submission method

Administrative errors or missing documentation can delay payment processing even when services were completed properly.

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#### **4. Maintain Active Accounts Receivable Management**

Contractors are encouraged to regularly review their **accounts receivable (AR)** to ensure invoices remain current and payment issues are addressed promptly.

Recommended best practices include:

- Reviewing outstanding invoices on a weekly or bi-weekly basis
- Tracking invoice submission dates and expected payment timelines
- Following up on invoices approaching or exceeding payment terms
- Confirming receipt of invoices with the client's accounts payable team
- Maintaining an organized AR ledger that tracks payment status and communication history

Proactively monitoring accounts receivable can often prevent invoices from becoming significantly delinquent.

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#### **5. Attempt Direct Resolution**

If payment remains outstanding, contractors should attempt to resolve the issue directly with the client's **accounts payable, vendor management, or operations department**.

Providing a clear summary of the outstanding invoice along with supporting documentation may help resolve delays caused by internal processing issues or missing information.

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#### **6. Professional Recovery Assistance**

If invoices remain unpaid after reasonable attempts to resolve the issue, contractors may consider engaging a professional recovery service.

NAMFS has reviewed and vetted [Kinum](#), a national commercial collections firm with experience handling business-to-business receivable recovery. Contractors who determine that formal recovery assistance is appropriate may choose to contact Kinum directly.

Collection firms may assist with:

- Structured demand communications
- Commercial accounts receivable recovery
- Negotiated payment resolutions or settlements
- Escalation procedures consistent with commercial recovery practices

Please note that engagement with Kinum or any collection agency is entirely at the contractor's discretion.

### [Debt and Lien Information](#)

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## **7. When to Consider Contacting an Attorney**

In certain situations, contractors may wish to seek legal guidance regarding unpaid invoices. This may be appropriate when:

- The outstanding balance is significant relative to the contractor's business
- The client disputes payment despite clear documentation of completed work
- Contract provisions are unclear or may require legal interpretation
- The vendor agreement requires legal notice before enforcement
- Collection efforts have failed and litigation may be considered
- The contractor believes contractual rights or payment obligations have been violated

An attorney can review the vendor agreement, advise on contractual enforcement options, and determine whether legal remedies such as demand letters, arbitration, or court action may be appropriate.

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## **8. Maintain Documentation**

Regardless of the approach taken, contractors should retain organized records of:

- Vendor agreements and service contracts
- Work orders and service documentation
- Submitted invoices
- Payment communications and follow-ups
- Demand notices or dispute correspondence

Clear documentation is often essential to resolving payment disputes successfully.

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NAMFS remains committed to promoting fair payment practices and responsible vendor relationships throughout the field services industry. By reviewing agreements, maintaining strong accounts receivable practices, and understanding available resolution options, contractors can address delinquent payments in a professional and informed manner.

If you have questions regarding vendor payment practices or industry standards, please feel free to reach out - [Contact NAMFS](#)