

SPECIAL REPORT

THE IRS Advantage™

Get the IRS to help you collect from your most delinquent accounts

By Ben Ricci

At some point every business will encounter this problem: the customer who refuses to pay. You've tried every tactic at your disposal, but to no avail. The account is still outstanding and the customer isn't paying anytime soon.

What else can you do prior to placing the account with a collection agency? You can have the IRS help you, in a round about way, to get your customers to pay.

But don't go calling the IRS just yet. However, it is possible to have them help you. And you can thank a very innovative debt collection firm, Stevens & Ricci, Inc., for making the strategy called the "IRS Advantage™" available to business creditors.

"At one time I was a very frustrated credit manager," says Ben Ricci, founder of Stevens & Ricci, Inc. "I was working for a large industrial lighting company that had a hefty amount of overdue A/R. I needed a way to clear up the past-due accounts fast, so I developed a collection strategy that would (in a sense) have the IRS help me make the collections....and it worked, better than anybody could have imagined."

The collection strategy works on the premise of reporting the debt as a loss. The IRS will view this as income to the

debtor. It's a well-known fact that the IRS routinely runs computer matches of 1099s against your customer's tax filing.

But the key to the whole strategy is this: a carefully written IRS-styled collection letter. Created by Mr. Ricci, the letter uses a powerful combination of accounting principles and debtor psychology. Once your debtor realizes that the IRS could be examining their tax statement a little more closely, you will be surprised how quickly a check can arrive in the mail.

Angela Tomassetti, a Controller at A.R. Fuels, Inc. has used the strategy with great success. "I Mailed 25 IRS collection letters based on this program—15 paid right away without even a follow-up call. These were our most stubborn accounts given one last chance to pay."

The strategy is powerful, and Mr. Ricci has made it available to business creditors. The IRS Advantage™ free download includes step-by-step instructions, template collection letters in MS Word®, specific examples, IRS Form W-9 with link, and assurance that this strategy can be used successfully by your business.

The Treasury Inspector General for Tax Administration (TIGTA) office has accepted the use and application of

this strategy in 2005 under the guidelines of the program.

This changes the rules of the game. It could be the single most powerful collection tool ever created for stubborn customers who won't pay.

If you are interested in the IRS Advantage™, or would like more information, please contact Mr. Ricci directly at 888-722-1611 or by email at bricci@stevensricci.com. You can download the program at their website:

www.stevensricci.com/irs

Give this technique a try, you can't beat having the IRS on your side in a collection matter.

ABOUT THE AUTHOR



Ben Ricci develops and offers innovative strategies for businesses to improve operating cash flow and reduce bad-debts. A former corporate credit manager, Mr. Ricci co-founded Stevens & Ricci, Inc. in 1997 to provide third

party debt collection and legal services to commercial creditors. Ben can be reached at 888-722-1611 or bricci@stevensricci.com. You can also visit their website at www.stevensricci.com