

Collection Agency Agreement

_____, referred to as AGENCY and
_____, referred to as CLIENT, agree:

AGENCY represents that it is properly licensed, bonded, with a capable and trained (if required) staff of collectors, and can effect reasonable and lawful effects to collect accounts receivable of CLIENT.

CLIENT shall provide to AGENCY, from time to time, accounts receivable to collect. CLIENT represents that any accounts which it turns over to AGENCY are legally due and owed. CLIENT shall provide upon request to AGENCY source documentation for any and all accounts due, and, verification of any balance due.

AGENCY shall at all times conduct collection activity on behalf of CLIENT in compliance with all lawful regulations and laws and shall hold CLIENT harmless from any claims related to unlawful collection activity. A periodic report of the status of all collections shall be provided to CLIENT by AGENCY at least every _____.

AGENCY shall receive a fee of ___ percent from all sums collected on behalf of CLIENT. AGENCY may deduct from sums collected its fee; however, all sums which are due to the CLIENT shall be held in a separate trust account. In the event that a debtor returns merchandise, the value for the purposes of the agreement shall be the net sales price received for the same, or if the merchandise is accepted by CLIENT, ___ its wholesale value.

CLIENT shall be entitled to, either itself or through designated agents, auditors and accountants, conduct audits of the books and records of AGENCY to verify accountings.

CLIENT shall be entitled to withdraw accounts once assigned from AGENCY, however, if any collections are made as related to such accounts shall be reported to AGENCY, and the AGENCY fee paid.

AGENCY shall be responsible for all expenses related to its collection efforts, other than court costs and attorneys' fees, if suit is authorized, and expenditure is approved for court costs and attorney's fees. Any suit fees or court costs shall be approved in writing prior to their expenditure.

Dated: _____

By Client

By Agency

Collection Agency Agreement Review List

This review list is provided to inform you about this document in question and assist you in its preparation. Signing this agreement establishes the agreement between the parties and prevents any confusion as to the particulars of collections and payments to the parties.

1. Make multiple copies. Give one signed original to each party.