**A Bankruptcy Checklist**

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In a recession, the number of customer bankruptcies is going to increase. This makes it even more important that what we do as soon as we learn a customer has filed for bankruptcy protection is correct.

I recommend credit pros use this Checklist to save time and money --- and to prevent mistakes and oversights.

* Promptly send a reclamation notice on shipments sent within ten days of the bankruptcy filing date
* Make a claim against any collateral you may have, or any personal or intercorporate guarantee(s)
* Consider zeroing out the credit limit
* Consider cancelling all orders in production or pending
* Consider requiring that all shipments still in transit to the now bankrupt customer be returned rather than delivered
* Calendar reminders for yourself of important dates during the bankruptcy process
* Review payments received from the bankrupt debtor within 90 days of the bankruptcy filing date to determine the potential amount of preference claims (if any)
* Calculate how much product was shipped to this customer in the 90 days prior to the filing date
* Reprint copies of all invoices, debits and credits open on the bankruptcy filing date, along with at least two copies of the entire account statement.
* Order proof of delivery on all open invoices
* Promptly review every document received from the Court to determine what action is needed
* File a Proof of Claim before the court established Bar Date
	+ Include the required supporting documentation with the proof of claim
	+ Complete the Proof of Claim in its entirety
	+ Sign your Proof the Claim
	+ Send the Claim to the court by registered letter
	+ Keep a copy of every document received from or sent to the court