Flourish

THE RESTORATION CASH PLAYBOOK

Get paid faster. *Build a company worth more.*

The weekly numbers, checklists, scripts and Texas deadlines that move money from carriers, lenders and homeowners into your bank, and make your company more valuable to a buyer.

INSIDE

- Six numbers to check every Friday
- Carrier follow-up and scripts
- Mitigation billing file checklist
- Depreciation release tracker
- Mortgage checks and deductibles
- Job costing by division
- Texas deadline calendar
- 13-week cash forecast
- What buyers look for

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You did the work. *Here's where the money waits.*

If you have plenty of work, the cash problem is usually the gap between the day the equipment comes out and the day the money lands. This playbook closes that gap with a few weekly habits, and every habit also makes your company easier to sell.

3 to 8 weeks

How long most restoration firms wait on insurance payment. More than **18%** wait longer than 8 weeks. [1]

16.5%

Median A/R as a share of annual revenue. At $5 million, that's about **$825,000** waiting. [2]

$205,000

Cash freed up at $5 million a year by cutting days to get paid from 60 to 45. Our math: 15 days × $13,699 a day.

The leaks this playbook closes

01 **Slow carrier pay.** In a vendor case study, one water damage restoration company cut its average days to get paid from about 90 to 17 by sending a formal notice on every job. [3]

02 **Mitigation files that stall.** Carriers sit on mitigation invoices when the file is missing logs, readings or rosters. [4]

03 **Work done but never billed.** Extra drying days and added scope that never make it onto the estimate.

04 **Depreciation nobody tracks.** The holdback is only paid after you send the completion paperwork, and policies set deadlines. [6,7]

05 **Mortgage holds and deductibles.** Lenders hold endorsed checks for weeks. Unpaid deductibles can hold up final funds. [10,11]

06 **One blended margin.** A strong mitigation division can hide a rebuild division that loses money.

How to use it: print the Friday numbers (page 3) and the follow-up schedule (page 9), put them where your office manager can see them, and review the rest once a month. Numbers in brackets point to the sources on the last pages.

02 · FRIDAY NUMBERS

Six numbers to check *every Friday.*

Set aside 15 minutes every Friday to check these six numbers. They tell you where your cash is, what's stuck and what's about to pinch.

NUMBER	HOW TO GET IT	HEALTHY RANGE	THIS WEEK
Cash low point, next 13 weeks	From your 13-week forecast: lowest week and how many weeks of payroll it covers	**Never under 4 weeks of payroll**	
A/R over 60 days, by payer	Aging report split: carrier, TPA, mortgage company, homeowner	**Under 25% of A/R. Over 90 days under 10%.**	
Dry, but not invoiced	Jobs where equipment is out and no mitigation invoice has gone	**Zero older than 3 business days**	
Done but not billed or supplemented	Extra scope and drying days found in the field, by job	**Falling every week**	
Holdbacks open	Depreciation, mortgage-held checks and unpaid deductibles, with the oldest date	**Zero past a policy or lender deadline**	
Gross profit %, by division	Jobs closed this month, mitigation and rebuild separately	**Mitigation about 60% to 75%. Rebuild about 25% to 35%.**	

How to run it

- [ ] Owner plus office manager, 15 minutes. Write the numbers in the last column.
- [ ] Anything off target gets one name and one date before you leave the room.
- [ ] Off target two weeks running? It moves to the top of next week's list.
- [ ] Keep every sheet. A year of them shows a buyer how the business really runs.
- [ ] Targets marked here are working targets from industry practice, not guarantees.

Every invoice *has an owner and a date.*

Late restoration invoices are often waiting on a follow-up nobody owns.

NUMBER TO WATCH	TARGET
A/R over 60 days, by payer	Under 25% of total A/R

Every invoice, every time

- [ ] Send the invoice with the **complete file** on day 0, in writing
- [ ] Ask the adjuster: “Do you have everything you need?”
- [ ] Log the adjuster’s name, direct line and claim number in the job file
- [ ] Send any missing item the same day it’s asked for
- [ ] Follow-up letter on **day 20**; supervisor call on **day 30**
- [ ] Log every touch: date, person, answer
- [ ] Review A/R by payer every Friday, not once a month

CARRIER FOLLOW-UP

Subject: Mitigation invoice, claim [#], [address]: checking on payment

Hi [adjuster],

We sent our invoice for [mitigation / repairs] at [address] on [date] for $[amount], with the full file.

Attached:
Work authorization
Moisture map
Drying logs
Photos
Equipment log
Estimate

Can you confirm:
1. You have everything you need from us. If anything is missing, please list it and we’ll send it today.
2. The date you expect to finish your review.
3. The expected payment date and who the check will be made out to.

Our crew and supplier payments for this job are due [date].

Thank you,
[Name], [Company], [phone]

Buyer’s view. Advisors who sell restoration companies say A/R over 90 days gets discounted 25% to 50% when the buyer sets the working-capital target. [16]

04 · MITIGATION BILLING

Send the whole file *before they ask.*

Carriers negotiate mitigation invoices months after the work. Send moisture readings, daily logs and rosters with the invoice, before anyone asks. Equipment lines are the first thing cut when the photos and logs don't match.[4,5]

NUMBER TO WATCH	TARGET
Jobs dry, with no invoice sent	Zero older than 3 business days

The mitigation file

- [ ] Signed **work authorization**
- [ ] Cause-of-loss photo and a **sketch** with affected areas
- [ ] **Moisture map**: fixed points on the sketch, plus a dry standard from an unaffected area on day 1
- [ ] **Daily drying logs** every day on site: temp, RH and GPP, through the day equipment came out
- [ ] **Photos**: wide shot naming the room, meter reading legible, equipment in place, final readings at dry standard
- [ ] **Equipment log** with placed and removed dates
- [ ] Daily job notes and crew rosters
- [ ] Xactimate estimate with quantities that **match** the logs and photos
- [ ] Signed certificate of completion
- [ ] Invoice out within 3 business days of dry-out

THE CONSISTENCY CHECK

Before the file goes out, one person checks:

Air movers billed = air movers in photos
Equipment days billed = days until dry standard was reached
Every room on the estimate has a photo and a reading
Logs run to the day equipment came out

An estimate billing 5 air movers when the photos show 3 gets cut. So does billing day 5 when dry standard was hit on day 3.

Track every holdback *until the check clears.*

On most homeowner policies the carrier pays actual cash value first and holds back depreciation until it sees proof the work is done. Policies set the deadlines: some require notice within 180 days, and most allow at least a year to finish. Miss them and the money is gone.[6,7]

NUMBER TO WATCH	TARGET
Depreciation open more than 90 days after completion	Zero past a policy deadline

Release steps

- [ ] When the ACV check arrives, log it: claim #, carrier, RCV, ACV, depreciation $, date of loss, policy deadline
- [ ] Ask the homeowner for the declarations and loss settlement page
- [ ] Within 2 weeks, the homeowner sends written notice of intent to claim replacement cost
- [ ] Calendar a reminder **60 days** before the earliest deadline. Running long? Request an extension in writing.
- [ ] At completion send: final invoice, signed COC, completion photos, **proof the deductible was paid**
- [ ] Follow up on day 7, 14 and 30
- [ ] Texas coast (TWIA): repair documentation is due within **545 days** of the first claim payment[8]

DEPRECIATION RELEASE REQUEST (COPY THE HOMEOWNER)

Subject: Recoverable depreciation, claim [#], [address]: requesting release

Hi [adjuster],

Repairs at [address] were completed on [date]. Attached:
Final invoice for $[amount]
Certificate of completion signed by [homeowner]
Completion photos
Proof the deductible was paid

Per your estimate dated [date], recoverable depreciation is $[amount]. Can you confirm:
1. You have everything you need to release it. If anything is missing, please list it and we'll send it today.
2. The expected payment date.
3. Who the check will be made out to.

Our final payments to subs and suppliers on this job are due [date].

Thank you,
[Name], [Company], [phone]

Two-party checks *don't have to sit for weeks.*

Mortgage companies hold endorsed insurance checks for weeks, and an article on the Restoration Industry Association's blog puts it at billions of dollars meant for restorers sitting with lenders. One industry consultant estimates a ready-to-sign packet cuts about 30 days off the time it takes to get paid.[6,10]

NUMBER TO WATCH	TARGET
Two-party checks and deductibles open	Every one on a list with a date

Mortgage company steps[9]

- [ ] At job start, ask who holds the mortgage and get the loan number
- [ ] When a two-party check arrives, call the lender's **loss draft department** and ask for their packet and thresholds
- [ ] Send the packet: endorsed check, adjuster's estimate, signed contract, intent to repair, W-9, lien waivers, license if required
- [ ] Know the tier. One Texas lender returns checks up to $20,000, releases $20,000 to $40,000 as repairs finish, and stages larger amounts after inspections.
- [ ] Request each inspection about a week before the milestone
- [ ] Watch the lender's repair window. One Texas lender expects repairs within 90 days.
- [ ] **Deductible:** collect at signing or day 1, show it as its own invoice line, and give a receipt

DEDUCTIBLE REMINDER (TEXT)

Hi [name], this is [your name] with [Company]. Quick reminder: your insurance deductible of $[amount] for the work at [address] is due. Texas law requires you to pay your deductible, and your insurer may ask for proof before releasing final funds. You can pay here: [link], or call me at [phone]. Thank you!

NEVER

Never offer to waive, rebate or absorb a deductible, and never bury it in the estimate. In Texas that's against the law (Bus. & Com. Code § 27.02; Ins. Code ch. 707).

07 · JOB COSTING BY DIVISION

Know what mitigation *and rebuild each make.*

Mitigation and rebuild run very different margins, so one blended number tells you almost nothing. In one private-equity purchase of a restoration company, the buyer's accountants recast revenue that had been booked when billed so it matched the work done. Those findings fed into the deal negotiations.[18]

NUMBER TO WATCH	TARGET
Gross profit %, mitigation and rebuild	Reviewed every month, by division

Set it up once

- [ ] Split the P&L into mitigation, rebuild and contents (plus mold or fire if large)
- [ ] Book sub bills, materials and labor to the right job **and** the month the work happened
- [ ] Close the books by the 15th of the next month
- [ ] Keep a monthly WIP: contract, cost to date, % complete, billed to date
- [ ] Tag CAT jobs and TPA or program jobs so you can see each one's margin
- [ ] Compare billed against actual cost on every job closed this month
- [ ] Compare small and large jobs each month to see whether margin holds as jobs get bigger.

MONTHLY DIVISION REVIEW

For each division, last month:

Revenue
Gross profit %
Jobs closed
Biggest loss, and why
Share of revenue from your top carrier
Share from your top referral source

If one carrier or TPA is over 15% of revenue, expect a buyer to push back. Over 20%, advisors say buyers discount the price.[16]

Buyer's view. Buyers prefer mitigation-heavy companies: advisors cite a target of 40% to 60% of revenue from mitigation and less than 15% to 20% from CAT work. Clean division numbers let you show it.[16]

Who to follow up with, *and when.*

Day 0 is the day the invoice goes out with a complete file. Print this page and put it next to the office manager's desk. The day counts are our working schedule; adjust them to your carriers.

WHEN	WHO	WHAT TO DO
Day 0	Carrier	Invoice and full file to the adjuster, in writing. Ask if they have everything they need.
Day 5	Carrier	Confirm receipt. Get the adjuster's direct line and any missing items **in writing**.
Day 20	Carrier	Follow-up letter (page 4). Ask for the decision date and payment date.
Day 30	Carrier supervisor	Call the adjuster's supervisor, then email a summary and copy the homeowner.
Day 30	TPA or program	Email the program manager. Escalate at day 45.
Day 45	Homeowner	Meet and walk through the file. Their balance is due on your contract terms either way.
Day 60	Owner	Decide: payment plan, collections or lien. See the Texas page for lien timing.
Check arrives	Mortgage company	Call loss draft the same day. Packet out by day 2, confirm received by day 7.
Days 7, 14, 21	Homeowner	Deductible or balance reminders (page 7). Owner call on day 30.

Good to know. In Texas a contractor can discuss damage, scope, documents and payment with the insurer, but not coverage. These scripts are written to stay on the right side of that line. [14]

09 · DEADLINES THAT COST REAL MONEY

Texas dates *that decide when you get paid.*

The insurance deadlines below belong to your customer’s claim, but they tell you when money should arrive and when to ask why it hasn’t. The lien dates are yours.

DEADLINE	WHAT IT MEANS FOR YOU	WHERE IT COMES FROM
15 days after written notice	The insurer acknowledges the claim, starts investigating and asks for what it needs	Tex. Ins. Code § 542.055 [12,13]
15 business days after all items received	The insurer accepts or rejects the claim (30 days if arson is suspected)	§ 542.056 [12]
5 business days after acceptance	The insurer pays. A complete file on day 0 should mean a decision in about 3 weeks (our estimate).	§ 542.057 [12]
Weather catastrophe declared	TDI can add 15 days to these deadlines after a declared catastrophe	§ 542.059 [12]
Late payment	Interest and attorney fees can apply. Weather claims use a lower interest rate.	§§ 542.058, 542.060; ch. 542A [12]
Set by the policy	Some policies require notice of intent to claim replacement cost within 180 days. Most allow at least a year to finish repairs.	Policy wording [7]
545 days after first payment	TWIA (Texas coast) repair documentation deadline for depreciation	TWIA RCV flier [8]
15th day of the 3rd month after completion	Residential lien filing deadline for contracts signed from Jan 1, 2022. Confirm with counsel.	Tex. Prop. Code ch. 53, as amended [15]

General information, not legal advice. Texas law also bars contractors from acting as public adjusters (Ins. Code § 4102.163) and from waiving deductibles (Bus. & Com. Code § 27.02). Rules change and policies vary. Confirm deadlines with your Texas attorney.

See the tight week *before it hits payroll.*

Update it every Friday. Put each carrier check in the week you really expect it (invoice date plus your real average days to get paid by that payer), and move it when it slips. Most restoration companies wait 3 to 8 weeks on insurance payment, so the week you expect each check matters. [1]

WEEK STARTING	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13
Starting cash													
CASH COMING IN													
Carrier payments													
TPA and program payments													
Mortgage company releases													
Homeowner deductibles and balances													
Depreciation releases													
Other													
Total in													
CASH GOING OUT													
Payroll and payroll taxes													
Subs													
Materials, equipment and fuel													
Rent, insurance, vehicles, software													
Loan and equipment payments													
Owner draws and estimated taxes													
Total out													
Ending cash													
Below your floor? Mark it.													

Run it like *you'll sell it.*

Private equity has been buying restoration companies steadily: BluSky bought 10 firms in two years and ATI 15 in under four. M&A advisors put the private-equity line at about $2 million of EBITDA. Below that, a company usually sells as an add-on or is valued on owner earnings. Advisors quote about 2.5 to 3.5 times owner earnings for smaller restoration companies.[19,16]

Close the books by the 15th

On accrual, every month. Advisors recommend two years of this before a sale.[16]

Book revenue as work is done

Keep a monthly WIP. A buyer's accountants will recast revenue booked when billed.[18]

Split mitigation, rebuild and contents

Mitigation at 40% to 60% of revenue is what buyers like to see.[16]

Watch concentration

Keep your top carrier and top TPA each under 15% of revenue. Over 20%, advisors say buyers discount the price.[16]

Tag CAT jobs

Storm years get normalized down. Show a buyer your normal year.[17]

Clean the A/R monthly

Resolve A/R over 90 days and supplements over 180 days, before a buyer marks them down.[16]

Keep an add-back file as you go

Owner perks and one-time costs, with receipts, logged as they happen.[16]

Get out of estimating

Track the share of estimates you write yourself. The goal is zero before you go to market.[17]

Grow commercial and recurring work

Advisors target 15% to 25% of revenue from commercial programs.[16]

Keep a compliance file

Licenses, IICRC certifications and worker classification. Gaps here kill deals.[17]

The math that matters. At 2.5 to 3.5 times, every extra **$100,000** of owner earnings a buyer believes in adds about **$250,000 to $350,000** to the price (our math). The habits in this playbook are how you make them believe it.

12 · SOURCES

Where the numbers *come from.*

Every benchmark in this playbook is tied to a source. Where we use our own math or a working estimate, we say so in the text.

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5. R&R, Documentation that survives an insurance audit (Jul 2026) https://www.randrmagonline.com/articles/92115-documentation-that-survives-an-insurance-audit-moisture-mapping-drying-logs-and-photo-discipline
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7. United Policyholders, Deadline for completing repairs in Texas https://uphelp.org/ask-an-expert/question/what-is-the-deadline-for-completing-repairs-rebuild-in-texas/
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9. TDECU, Insurance loss claim process member packet https://cdn2.tdecu.org/images/Storm-Center/Insurance-Loss-Claim-Process-Member-Packet.pdf
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18. Stout, Due diligence for a PE client acquiring a restoration company https://www.stout.com/en/experience/performed-due-diligence-pe-client-acquiring-restoration-company
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WANT US TO RUN THIS FOR YOU?

We run these numbers for you *and follow up on what you're owed.*

Flourish builds this system for restoration owners. We connect your accounting and job software, track A/R by carrier, TPA, mortgage company and homeowner, follow up on depreciation, supplements and deductibles for you, and walk you through the numbers every month.

01 Money Map, a live dashboard built from your accounting and job software.

02 A Monthly Numbers Call that ends with a short to-do list.

03 A 13-Week Cash Forecast we keep current every week.

04 Automated Follow-up on what's stuck, approved by your office before it goes out.

Book a free 30-minute walkthrough with Joe and Karen at buildwithflourish.com

Bring your A/R aging and last month's P&L if you have them.

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