



Maintain positive client relationships while protecting your cash flow. Follow this structured escalation, with clear timing, tone, and templates, to recover overdue payments efficiently.

Step 1: Day 1 Overdue – Friendly Email Reminder

Goal: Gently notify client of missed invoice.

Channel: Email from Accounts Receivable.

Tone: Polite, assumed oversight.

Template: Subject: Friendly Reminder: Invoice #12345 Due Yesterday

Hi [Client Name],

I hope you're well. I'm writing to let you know that Invoice #12345 for [Service/Product] was due yesterday, [Due Date]. If you've already emailed payment, please disregard this message. Otherwise, please arrange payment at your earliest convenience.

Thank you for your prompt attention. Let me know if you have any questions.

Best regards,

[Your Name]

[Company Name] | [Phone] | [Email]

Example Context: “Hi Sarah, I hope all is well. Just a quick reminder that Invoice #2023-047 for website hosting was due yesterday, August 14. If it’s on its way, please disregard—otherwise, I’d appreciate your prompt payment. Thanks!”

Step 2: Day 2 Overdue – Admin Phone Call

Goal: Personal touch to ensure invoice wasn’t overlooked.

Caller: Admin or AR clerk (not the boss).

Tone: Friendly, helpful.

Script:

“Hi [Client Name], this is [Admin Name] from [Company]. I hope you’re doing well. I’m calling about Invoice #12345, which was due yesterday. I just wanted to check if you received it and see if there’s anything I can do to help with payment. Thanks!”

Example Context: Admin calls and says: “I know how busy things get, just making sure the invoice landed in your inbox.”

Step 3: Day 8 Overdue – Boss’s Courtesy Call

Goal: Show seriousness while maintaining goodwill.

Caller: Owner or Manager.

Tone: Respectful, collaborative.

Script:

“Hi [Client Name], it’s [Boss Name] at [Company]. I wanted to personally follow up on Invoice #12345, now a week overdue. We value our partnership and want to ensure there are no issues on your end. Could you let me know when we might expect payment?”

Example Context: Boss mentions: “If there’s a billing error or cash-flow hiccup, let me know so we can work out a solution.”

Step 4: Day 14 Overdue – Boss’s Firm Call & Service Hold

Goal: Escalate urgency; enforce payment terms.

Caller: Owner or Manager.

Tone: Firm but professional.

Script:

“Hello [Client Name], this is [Boss Name]. Our records show Invoice #12345 is now two weeks overdue. Per our agreement, we’ll need to pause [service/product delivery] until payment is received. Please arrange settlement today to avoid disruption. If you need to discuss terms, let’s talk now.”

Example Context: “Due to outstanding balance, we’ll have to suspend new work until we clear this invoice. Happy to set up a quick call if you need a payment plan.”

Step 5: Day 28 Overdue – Formal Legal Demand Letter

Goal: Final notice before collections or legal action.

Channel: Certified mail or email with read receipt.

Tone: Formal, clear consequences.

Template:

[Date]

[Client Name/Company]

[Address]

Re: Final Demand for Payment – Invoice #12345 (Due [Original Due Date])

Dear [Client Name]:

Despite previous reminders, the above invoice remains unpaid and is now 28 days overdue. This letter serves as a formal demand for immediate payment of \$[Amount], plus any accrued interest per our terms.

If payment is not received by [Final Deadline—e.g., 7 days from date of this letter], we will pursue all legal remedies available, including engaging a collections agency or commencing litigation.

We value your business and would prefer to resolve this amicably. Please remit payment or contact me directly to avoid further action.

Sincerely,

[Boss Name]

[Title]

[Company Name]

[Contact Information]

Discretion for Valued Clients:

- If a long-standing, high-value client owes a small amount, consider a gentle reminder or a short-term payment plan instead of formal legal action.
- Document the exception and get approval from leadership.

Additional Best Practices

- **Centralized Tracking:** Use an AR aging report or accounting software to log every contact attempt.
- **Automate Where Possible:** Email reminders and SMS alerts can be scheduled automatically.
- **Payment Options:** Offer credit-card or online-portal payments to reduce friction.
- **Documentation:** Save call notes, email threads, and delivery receipts for legal protection.
- **Consistent Terms:** Ensure all invoices clearly state payment terms, late fees, and escalation steps.

Summary This 5-step escalation keeps client relationships positive while steadily increasing urgency. Customize templates to match your brand voice and always document each interaction.