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FREE TEMPLATE

Late payment policy template

Eight sections in the order a late invoice moves through them. Fill in the blanks, check the fee part locally, and attach it to every quote.

General information, not legal advice. Check the late fee and interest sections against the rules where you and your clients are.

[Business name] late payment policy

Effective from: _____

1. Payment terms

Invoices are due within _____ days of the invoice date unless your quote or contract says otherwise. Deposits of _____% are due before work is booked.

2. How to pay

You can pay by _____. The payment link on each invoice accepts _____.

3. Reminders

We send a reminder _____ days before the due date, on the due date, and _____ and _____ days after it.

4. Late fee

A late fee of _____ (percentage of the unpaid balance / flat amount) is added _____ days after the due date and every _____ days after that, up to $_____ in total.

5. Interest (if used)

Unpaid balances accrue simple interest at _____% a year, calculated daily, from _____ until payment is received.

6. Pausing work

If an invoice is more than _____ days overdue, we may pause further work and deliveries until it is paid.

7. Collections

If an invoice is more than _____ days overdue and we have not agreed a payment plan, we may refer it to _____. We will tell you in writing _____ days before we do.

8. Questions and disputes

If you disagree with an invoice, tell us within _____ days at _____. We will not add late fees to the amount in dispute while we resolve it.

Roll-out checklist

- ☐ Fee and interest checked against local rules
- ☐ Numbers tested in the late fee calculator
- ☐ Policy attached to quotes and contracts
- ☐ Existing clients told in writing, with the start date
- ☐ Same wording printed on invoices

The full guide, with the video: fynl.io/blog/late-payment-policy-template/ Free calculator: fynl.io/invoice-late-fee-calculator