



Document Code:		Revision No.:	00
Document Title:	Overdue Account Receivable Process	Creation Date:	04-Dec-2025
		Effective Date:	15-Dec-2025

#### Document History Log

Status	Effective Date	Description of Change(s)	Initiated by

Prepared by:	Reviewed by:	Approved by:
 Arianne Mongoc	 Mia Kristel Rosalem	 Marites Olaso





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Document Title:	Overdue Account Receivable Process	Creation Date:	04-Dec-2025
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## 1. PURPOSE

To establish a standardized process for monitoring, communicating, and resolving overdue Accounts Receivable (AR) to ensure timely collection, proper escalation, and coordinated actions across all departments.

## 2. SCOPE

This SOP applies to the Finance Department, Sales Team, Operations, PBC, and Leadership Team handling client accounts with outstanding receivables.

## 3. DEFINITIONS

- Aging of AR: Number of days the receivable remains unpaid.
- Color Codes: Indicators used for escalation level based on number of overdue days.

## 4. PROCEDURES

### 4.1 AR Monitoring

4.1.1 finance head monitors and updates the aging of AR based on:

4.1.1.1 Xero System records

4.1.1.2 Countering reports provided by the Collection Officer





<b>Document Code:</b>		<b>Revision No.:</b>	00
<b>Document Title:</b>	Overdue Account Receivable Process	<b>Creation Date:</b>	04-Dec-2025
		<b>Effective Date:</b>	15-Dec-2025

4.1.2 AR status is categorized using the following color code and overdue days:

COLOR CODE	OVERDUE DAYS	DESCRIPTION
Orange	60-89 days	Less than 1 month to more than a month
Red (2 Months)	90-119 days	First delinquency notice
Red (3 Months)	120-149 days	Second delinquency notice
Black	150 days and above	Final decision

## 4.2 Action Steps per Code Level

### 4.2.1. Orange Code (60–89 days overdue)

4.2.1.1 Collection Officer conducts regular follow-ups.

4.2.1.2 Status is recorded for weekly AR review.

### 4.2.2 Red Code (2 Months 90–119 days overdue)

4.2.2.1 PBC Head sends the 1st Notice of Delinquency via email to the client.

Email should include outstanding balance, aging summary, reminder of overdue status, and request for settlement date.

### 4.2.3 Red Code (3 Months 120–149 days overdue)

4.2.3.1 COO sends the 2nd Notice of Delinquency via email.

Notice must include Updated AR summary, Follow-up on the pending payment.



<b>Document Code:</b>		<b>Revision No.:</b>	00
<b>Document Title:</b>	Overdue Account Receivable Process	<b>Creation Date:</b>	04-Dec-2025
		<b>Effective Date:</b>	15-Dec-2025

#### 4.2.4 Black code 5 Months (150 days overdue)

4.2.4.1 Conduct a Leadership Final Decision Meeting.

4.2.4.2 If End of Service is approved:

4.2.4.2.1 2 weeks before end of service notice, identify and plan customers re assignment

4.2.4.2.1.1 1st week activity - brainstorming and planning for customers reassignment (BU head, admin, and customer care), creation of 30 days notice

4.2.4.2.1.2 If in case they refuse to transfer - Customer care find another alternative reassignment offer within 30days.

4.2.4.2.1.3 2nd week activity - BU head, admin and customer care general assembly and issuance of 30 days notice to customer

4.2.4.2.2 Sales Team prepares and sends the End of Service Agreement Letter, signed by the CEO.

4.2.4.2.3 Provide 30 days notice to the client a day after customers general assembly

4.2.4.2.4 Attach complete AR statement with pending receivables.

4.2.4.2.5 Request an official meeting with client

4.2.4.3 Within the same week:

4.2.4.3.1 Meet with the client to discuss the end-of-service arrangement and settlement of outstanding balances.



Document Code:		Revision No.:	00
Document Title:	Overdue Account Receivable Process	Creation Date:	04-Dec-2025
		Effective Date:	15-Dec-2025

### 4.3 Commitment and Legal Escalation

#### 4.3.1 Commitment Letter

4.3.1.1 PBC Head drafts a Commitment Letter for the client to:

Acknowledge the outstanding balance, Confirm commitment date(s) of payment,  
Sign and return the document.

#### 4.3.2 Legal Action

4.3.2.1 If the client fails to pay within the committed date, Finance Department requests Legal to prepare a Demand Letter.



Document Code:		Revision No.:	00
Document Title:	Overdue Account Receivable Process	Creation Date:	04-Dec-2025
		Effective Date:	15-Dec-2025

## 5. RESPONSIBILITIES

### 5.1 Finance Head

5.1.1 Monitor AR aging via Xero and validate AR reports.

### 5.2 Collection Officer

5.2.1 Track AR based on counterering; support in follow-up.

### 5.3 PBC Head

5.3.1 Send 1st delinquency notice; prepare commitment letters.

### 5.4 COO

5.4.1 Send 2nd delinquency notice.

### 5.5 Sales Team

5.5.1 Prepare End of Service letter when needed; coordinate with the client.

### 5.6 Leadership Team

5.6.1 Decide on account termination (Black code)

### 5.7 Legal Team

5.7.1 Issue demand letter when client defaults on commitment.

## 6. RECORDS AND DOCUMENTATION

6.1 Updated AR Aging Report

6.2 Copies of all notices (1st and 2nd delinquency)

6.3 End of Service Agreement Letter

6.4 Commitment Letter signed by client

6.5 Demand Letter (if applicable)

6.6 Meeting minutes with client





Document Code:		Revision No.:	00
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		Effective Date:	15-Dec-2025

## 7. ATTACHMENTS

[https://docs.google.com/document/d/1ZrCA1qrIKX\\_kk5P-ARXIRQhEaFpfBGYEIhBs2GVLfJo/edit?usp=sharing](https://docs.google.com/document/d/1ZrCA1qrIKX_kk5P-ARXIRQhEaFpfBGYEIhBs2GVLfJo/edit?usp=sharing)



Date: \_\_\_\_\_

Subject: **Acknowledgment of Outstanding Balance and Commitment to Pay**

Dear Sir/Madam,

This letter serves as a formal acknowledgment of **(Client's company name)** payables to **Expedise Management Solutions Inc.** amounting to:

**TOTAL OVERDUE RECEIVABLES: ₱** \_\_\_\_\_

**Aging of Receivables:** \_\_\_\_\_

We respectfully request your confirmation and agreement to settle the above-mentioned amount according to the schedule indicated below:

Amount to be Paid	Commitment Date of Payment
₱ _____	_____
₱ _____	_____
₱ _____	_____
₱ _____	_____
<b>Total: ₱</b> _____	



7/F Richmond Plaza Bldg ,96 A Mabini St, San Pedro Laguna  
[hello@expedise.ph](mailto:hello@expedise.ph)  
Expedise.ph  
+63919 0779596



By signing this Commitment Letter, your company acknowledges the outstanding balance and affirms the agreed payment dates stated herein.

Failure to comply with the agreed schedule may result in further actions, including legal remedies and potential service adjustments, in accordance with our company policies.

Kindly sign below to confirm your agreement and return a scanned copy to us.

Thank you for your cooperation.

Sincerely,

**(Authorized Representative)**

Position: \_\_\_\_\_

Contact: \_\_\_\_\_

### Client Acknowledgment and Agreement

I hereby acknowledge the outstanding balance stated above and commit to pay the amount(s) on the agreed date(s).

**[Client Authorized Signatory]**

Position: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_



7/F Richmond Plaza Bldg ,96 A Mabini St, San Pedro Laguna  
[hello@expedise.ph](mailto:hello@expedise.ph)  
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Date : \_\_\_\_\_  
To : \_\_\_\_\_  
From : \_\_\_\_\_  
Subject : \_\_\_\_\_

Bilang isang empleyado ng kumpanyang Expedise Warehouse Management Solutions Inc. ay ikinalulungkot naming ipabatid sa iyo na ang ating kontrata sa ating kliyente \_\_\_\_\_ ay magtatapos epektibo ika-(Petsa) taong (Taon).

Dahil sa pangyayaring ito, ikaw ay inaabisuhan na magsadya o dumalo sa aming opisina sa darating na ika-(Petsa) taong (Taon). na matatagpuan sa (7th floor, Richmond Plaza, Mabini St., Brgy. Poblacion San Pedro Laguna) upang talakayin at mapag-usapan natin ang iyong bagong trabaho na malilipatan na kung saan ay angkop sa iyo.

Inaasahan ko ang iyong pagdalo at pag tugon sa sulat na ito.

Lubos na gumagalang,

MaryRose Peleño  
Customer Care Strategist

Tinanggap ni: \_\_\_\_\_ Date: \_\_\_\_\_



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