

EXPEDISE

Document Code:	AR-OP-0001	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
Revision	27-Feb-2026	Update on weekly recon of invoices with client, separate column for the current invoices based on counterparty but were returned due to errors or for validation	Mia Rosalem

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





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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

4.1.2 Create a separate column current (returned invoice) and current good invoices with no issue to filter which invoices are tagged as current but problematic that needs to be resolved.





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4.1.3 Once billing is transmitted to the client, the Collection Officer will call the client’s finance department to confirm receipt of the billing invoice and if there are concerns in the billing invoice

4.1.4 Collection officer will send to client’s finance department weekly SOA for status reconciliation

4.1.4.1 If no response from client, Collection Officer will call the client’s finance department for follow through

4.1.4.2 The Collection Officer will furnish a copy of the SOA to the BU Heads for their monitoring and follow through on the ground on the status

4.1.3 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)





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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.

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.





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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.

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.

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 countering; support in follow-up.

5.2.2 Send weekly SOA to clients and BU Heads

5.2.3 Call the client after a week of billing invoice transmittal to confirm receipt and to address if there are issues

5.3 PBC Head





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- 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





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7. ATTACHMENTS

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
₱ _____	_____
₱ _____	_____
₱ _____	_____
₱ _____	_____
Total: ₱ _____	

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: _____



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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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