

## Late Payment Policy

This document outlines the standard and client-specific rules for managing late payments from key customers. All rules are intended to ensure consistent cash flow and responsible account management.

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### 1. Standard Late Payment Terms (All Customers)

Unless otherwise specified by contract or agreement:

- **Payment Terms:** Net 30 days from invoice date.
  - **Grace Period:** 5 business days after due date.
  - **Late Fee:** 2% of the outstanding balance per month (or part thereof) after the grace period.
  - **Reminder Schedule:**
    - Day 1 past due: Friendly reminder email.
    - Day 7 past due: Formal reminder with late fee applied.
    - Day 14 past due: Phone follow-up and escalation warning.
    - Day 30+ past due: Account may be placed on hold; credit review initiated.
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### 2. Customer-Specific Late Payment Rules

#### ◆ Boom FM

- **Custom Terms:** Net 45 days.
- **Late Fee:** 1.5% per month after 5-day grace period.
- **Notes:** Due to media and advertising billing cycles, more flexible follow-up (initial call after Day 10).

#### ◆ DIISR (Department of Industry, Innovation, Science and Research)

- **Custom Terms:** Net 60 days (government agency).
- **Late Fee:** Not applied (per public sector agreement).
- **Follow-up:** Formal reminder at Day 65, then monthly follow-up.
- **Escalation:** To senior finance liaison for dispute resolution.

#### ◆ Bayside Club

- **Custom Terms:** Standard terms apply (Net 30).
- **Late Fee:** 2% per month.
- **Note:** Repeat customer – history of late payments warrants closer monitoring. Escalate if unpaid by Day 21 past due.

#### ◆ Ridgeway University

- **Custom Terms:** Net 60 days (educational institution).
- **Late Fee:** 1% per month.
- **Follow-up:** Day 10 past due – send academic vendor compliance notice. Escalation via procurement department if unpaid after 30 days.

#### ◆ City Limousines

- **Custom Terms:** Net 30 days.
- **Late Fee:** 2% per month.
- **Risk Note:** High churn client. Payments must be monitored weekly once overdue. Place account on hold if unpaid after 15 days past due.

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### 3. Enforcement and Documentation

- **Recordkeeping:** All follow-ups must be logged in the AR system (email, calls, internal notes).
- **Waiver Policy:** Late fees may be waived once per calendar year per client, subject to manager approval.
- **Reporting:** Aged Receivables Report reviewed weekly by the finance team.

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### 4. Review Schedule

- Policies reviewed biannually or upon changes in customer risk rating, contract updates, or regulatory shifts.
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