

Past Due, Final Notice

Dear _____:

We have tried every approach we could think of to collect this debt. We have absolutely no interest in turning this over to a collection agency or an attorney. However, we don't know what other choice your nonpayment gives us.

Please send us a check for the full amount or call us to set up a suitable repayment plan so we can avoid the collection route. That is a difficult and expensive approach for all concerns. Besides which, we would like to retain you as a customer and get our relationship back on a current and paying basis.

Please call us immediately to resolve this matter. If you do not call, or work out suitable arrangements within the next 10 days, we will be forced to turn this over for collection which does neither of us any good and will be a disappointment to us all.

Hoping for your prompt payment and/or quick response.

With best regards,

Employee Authorized

Past Due, Final Notice Review List

This review list is provided to inform you about the document in question and assist you in its preparation.

1. This is should be your final notice prior to turning the matter over to your lawyer to write a nasty letter or a collection agency to collect this debt. This should be a Sales letter—you are trying to motivate the recipient to pay up. Most late payers are pressed for cash. Your objective in this letter is to motivate the pressed buyer to put your invoice in the “to be paid” file. The best way to do this is to offer to put the customer on a payout plan so they start working down the debt. You are, of course, in the strongest position if they “need” more from your firm. If this is the case, you can usually get them to pay for new goods and apply the payments towards old invoices. Over time this generally can work to get the debt back into alignment while keeping an active customer, the best of both worlds.
 2. This is not the time to try to “be right” and sermonize. Most people will pay if they can pay; their problem usually is they have more bills to pay than money to pay it. They are more apt to pay the firm but nice than the firm but angry and sermonizing (they know they are late; they don’t need you to remind them at this stage).
 3. In summary, this letter requires a business approach to encourage the nonpaying debtor to get back in the paying habit. Work hard to make this happen. One way to approach the matter is to recognize that by the time you reach this point, any money is “found” money. If you take this approach, you can back off the demands and accept what they can do as opposed to what you would like them to do. If you do this, you generally improve your chances of collecting most if not all of what is owed your firm.
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2. Laws vary from state to state and change over time. Before using this document, consult your lawyer for advice on other rights or obligations you may have.
 3. Keep a copy of this letter in your **files** for this account.