

# SOP: Partial Payment and Installment Plan Procedures

This SOP details the **partial payment and installment plan procedures**, including eligibility criteria, application process, payment schedule setup, tracking and management of payments, handling of late or missed payments, communication protocols with customers, and documentation requirements. The purpose is to provide a clear framework for managing partial payments and installment plans efficiently, ensuring transparency, accuracy, and customer satisfaction while maintaining financial accountability.

## 1. Eligibility Criteria

- The customer must have an account in good standing.
- Partial payments and installment plans are available for invoices above [Minimum Amount], subject to management approval.
- Customer has not defaulted on previous payment agreements within the last [Time Period].
- Additional credit checks or verification of financial hardship may be required.

## 2. Application Process

1. Customer submits a formal request (online form, email, or in-person application) for a partial payment or installment plan.
2. Customer provides supporting documentation if required (e.g., proof of hardship).
3. Finance/Accounts team reviews the request and supporting documents.
4. Eligibility is verified based on the above criteria.
5. If approved, the terms of the plan are communicated to the customer in writing.
6. If denied, the customer is informed promptly with reasons for denial.

## 3. Payment Schedule Setup

1. A payment schedule is created, outlining:
  - Total amount due
  - Number and frequency of installments
  - Amount of each installment
  - Due dates for each payment
  - Applicable fees (if any)
2. Customer signs an Installment Plan Agreement.
3. Schedule is entered into the accounting/billing system.

## 4. Tracking & Management of Payments

- All payments are tracked in the financial system against the schedule.
- Automated reminders are set up for upcoming and overdue payments.
- Finance team reviews report of outstanding installment plans monthly.
- Early payoff or partial lump sum payments are processed in accordance with policy.

## 5. Handling Late or Missed Payments

1. Customer is contacted within [X] days of missed payment.
2. Late fees are applied as per the agreement.
3. If no response, a payment plan review meeting is scheduled or escalated to collections after [Y] days.
4. Document all communication and actions taken.

## 6. Customer Communication Protocols

- All plan terms and schedules are to be clearly communicated using the customer's preferred contact method.
- Predefined templates for reminder and notification emails/letters are utilized.
- All communication is documented in the CRM or case management system.
- Disputes or inquiries are to be acknowledged within [X] business days.

## 7. Documentation Requirements

Document	Responsible	Storage Location
Installment Plan Agreement	Finance/Accounts	Customer account file (digital or physical)
Payment Schedules	Finance/Accounts	Billing system
Correspondence (Emails, Letters)	Customer Service	CRM system
Payment Receipts	Finance/Accounts	Billing system/Accounting software
Denial Notices	Finance/Accounts	Customer account file

## 8. Review & Continuous Improvement

- SOP is reviewed annually or after significant changes to payment policy.
- Feedback from customers and staff is collected and evaluated for process improvements.