
Payment Terms Policy Template

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Customize these templates for your invoices, contracts, and engagement letters. Replace bracketed text with your business details.

Template 1: Standard Net 30 Terms (For Invoices)

PAYMENT TERMS

Payment is due within thirty (30) days of the invoice date. Accepted payment methods: [ACH bank transfer / check / credit card / wire transfer].

Please remit payment to:

- **ACH/Wire:** [Bank Name], Routing: [XXXXXXXX], Account: [XXXXXXXX]
- **Check:** Payable to [Your Business Name], mail to [Your Address]
- **Online:** [Payment link or portal URL]

A late fee of [1.5]% per month ([18]% annually) will be applied to invoices not paid within [30] days of the due date. [Your Business Name] reserves the right to suspend services on accounts more than [30] days past due.

Template 2: Net 30 with Early Payment Discount

PAYMENT TERMS

Payment is due within thirty (30) days of the invoice date.

Early payment discount: A [2]% discount is available if payment is received within [10] days of the invoice date. To receive the discount, payment must be received (not just sent) by day [10].

A late fee of [1.5]% per month will be applied to balances unpaid beyond the 30-day term.

Template 3: Deposit + Milestone Payment (For Contracts)

PAYMENT SCHEDULE

Milestone	Amount	Due Date
Project deposit (non-refundable)	[50]% of total: \$[AMOUNT]	Upon signing this agreement
[Milestone 1 — e.g., first draft delivery]	[25]% of total: \$[AMOUNT]	Upon delivery of [milestone]
Final delivery	[25]% of total: \$[AMOUNT]	Upon final delivery and approval
Total Project Fee	\$(TOTAL)	

Each milestone payment is due within [7] days of the milestone completion notification. Work on subsequent phases will not begin until the prior milestone payment is received.

If the project is terminated by the Client before completion, all milestone payments for completed and in-progress phases are due in full. The initial deposit is non-refundable.

Template 4: Monthly Retainer Terms

RETAINER AGREEMENT — PAYMENT TERMS

Client agrees to pay [Your Business Name] a monthly retainer of \$[AMOUNT] per month for the services described in Exhibit A.

Payment due: The [1st] of each month, in advance.

Payment method: [ACH / credit card / auto-debit]

Minimum commitment: [3] months from the effective date.

If payment is not received by the [5th] of the month, a late fee of \$[AMOUNT or PERCENTAGE] will be applied. If payment is not received by the [15th], [Your Business Name] reserves the right to suspend services until payment is received.

Either party may terminate this retainer with [30] days written notice. The final month's retainer is non-refundable if notice is provided after the 1st of the final month.

Template 5: Net 60/90 Terms (For Large Corporate Clients)

PAYMENT TERMS

Payment is due within [60/90] days of the invoice date. All invoices will be submitted electronically to [accounts payable email or portal].

Invoice requirements:

- Purchase Order number must appear on all invoices
- Invoice must include: PO#, project description, itemized services/products, applicable tax, total due
- Invoices missing required information may be returned, resetting the payment clock

Late payment: Invoices unpaid after [60/90] days will accrue interest at [1]% per month. [Your Business Name] reserves the right to halt deliverables on accounts more than [30] days past due.

Template 6: Upfront Payment / Due on Receipt

PAYMENT TERMS

Full payment of \$[AMOUNT] is due upon receipt of this invoice. Work will commence / product will ship upon confirmed receipt of payment.

Accepted payment methods: [ACH bank transfer / credit card / wire transfer / PayPal].

Payments not received within [7] days of invoice date will result in cancellation of the order/engagement. A new invoice will need to be issued at current pricing to re-engage.

Template 7: Progress Billing (Construction / Large Projects)

PAYMENT TERMS — PROGRESS BILLING

Client agrees to pay for work completed based on monthly progress invoices.

Billing cycle: [Your Business Name] will submit a progress invoice on the [last business day] of each month reflecting work completed during that month.

Payment due: Within [15] days of the invoice date.

Retainage: Client may withhold [10]% of each progress invoice as retainage. All retainage is due within [30] days of project substantial completion.

Change orders: Any work outside the original scope requires a signed change order before work begins. Change orders will be billed at [hourly rate / agreed-upon amount] under the same

payment terms.

Late Fee Language (Add to Any Template)

Option A: Percentage-Based

> Invoices not paid within [X] days of the due date are subject to a late fee of [1.5]% per month ([18]% annually) on the outstanding balance. Late fees begin accruing on day [X+1] after the invoice due date.

Option B: Flat Fee

> A flat late fee of \$[25-50] will be assessed on invoices not paid within [X] days of the due date. An additional \$[25-50] will be assessed every [30] days the invoice remains unpaid.

Option C: Combined

> Invoices not paid within [X] days of the due date are subject to a flat \$[25] late fee plus interest of [1]% per month on the outstanding balance.

Collections Language

> If collection efforts become necessary, Client agrees to pay all reasonable costs of collection, including but not limited to collection agency fees, court costs, and attorney fees.

How to Use These Templates

- **Choose the template** that matches your business model and client type
- **Fill in the brackets** with your specific terms, amounts, and details
- **Review with a lawyer** if the contract value exceeds \$10,000 or involves complex terms
- **Include on every invoice** — even abbreviated (e.g., "Net 30. 1.5%/month late fee after due date.")
- **Include in every contract** — full language in the terms section
- **Be consistent** — use the same terms across all clients of the same type
- **Communicate before signing** — don't surprise clients with terms they didn't agree to

State-Specific Considerations

- Late fee caps vary by state (most allow 1-1.5%/month)
- Some states require specific disclosure language

- Certain industries have regulated payment terms (construction, healthcare)
- When in doubt, consult a local business attorney

For the full guide, read: [Net 30, Net 60, Net 90: Payment Terms Explained](#)

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