

SedonaSetup - AR - Late Fee Rules

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SedonaOffice offers two methods of assessing fees to past due Customers; Finance Charges and Late Fees.

Finance Charges

If using the Finance Charge option, a process would be run once a month to determine which customers meet your delinquency rules, and then generate a Finance Charge type invoice based on the rules you setup on this form (Late Fee Setup). If the Customer does not pay the Finance Charge Invoice, you would need to credit off the invoice at some point. If your company has a high success rate in collecting late charges, this would probably be your preferred method.

Late Fees

If using the Late Fees option, late charge amounts are calculated when generating customer Statements or when using the Invoice/Statement form when printing Cycle Invoices. The Late Fee will print on the Statement or Invoice/Statements but will not post an invoice to the customer's account. If the customer does pay the Late Fee, that amount will be recorded to income when the payment is posted. If the customer never pays the Late Fee, there is no action required since there is no invoice posted using this method.

Late Fees may be calculated using two methods:

- Based on the entire unpaid balance on the Customer's account
- Based on the unpaid balance on each individual Invoice - To use this method, you must select the option [on this setup form] Add Late Fees on Invoices and the Late Fees will only calculate when printing Cycle Invoices using an Invoice/Statement type form.

The entries made on this setup form will default into the Finance Charge setup form, Statement Processing form, and the Invoice/Statement form. These are just defaults and may be modified when generating Finance Charges, Statements, or printing Cycle Invoices with the Invoice/Statement.

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