

Finance Charge and Late Fee Setup

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Pathway: [Setup](#) > [Account](#) > [Account Class](#) > [Finance Charges / Late Fees](#)

This article explains how to configure finance charges and late fees, which can be applied to an account's invoice during billing. To allow flexibility across account classes, three charge options are available: One-Time Fee Per Invoice, Manual Flat Fee, and During Billing.

The screenshot shows the 'ADD ACCOUNT CLASS' form with the 'Finance Charges / Late Fees' tab selected. The form contains the following fields:

Field	Value
FINANCE CHARGE TYPE	During Billing
ANNUAL RATE	0.00
CHARGE CODE	
CHARGE MINIMUM	0.00
PAST DUE MINIMUM	10.00

A 'SAVE' button is located at the bottom center of the form.

Permissions

The following permissions are required to set up Finance Charges and Late Fees:

Permission ID	Permission Name
23	Setup \ Account
420	Calculate Manual Finance / Late Fees

Charge Code Setup

To apply a finance charge or late fee, you must first create a charge code for billing. This code is used in billing and appears on invoices alongside the charge amount. Once created, the charge code can be applied in the Finance Charge and Late Fee setup within the Account Class. Depending on your policy, the same charge code may be used for all late fee setup options.

For information about creating a charge code, review the [Charge Code Setup](#) article.

Finance Charge / Late Fee Types and Setup

During Billing

With this option, when running a scheduled billing batch, the finance charge or late fee will be calculated during the billing process and included on the invoice.

ADD ACCOUNT CLASS ? X

Details | Customer Portal | Payment Processing | Status Management | Finance Charges / Late Fees

FINANCE CHARGE TYPE	During Billing
ANNUAL RATE	0.00
CHARGE CODE	
CHARGE MINIMUM	0.00
PAST DUE MINIMUM	10.00

SAVE

Setup:

1. Select "During Billing" from the **Finance Charge Type**.
2. Enter the **Annual Rate** that an account will be charged if a late fee applies. This rate is identified as a percentage of the past due amount.
3. Select the **Charge Code** billing will use when applying a finance charge or late fee to an invoice.
4. Enter the **Charge Minimum**; this is the minimum dollar amount an account must be charged. If the calculated finance charge or late fee is less than the charge minimum, the charge minimum is applied.
5. Enter a **Past Due Minimum**; this is the minimum amount an account must be past due by in order for a finance charge or late fee to apply.

Manual Flat Fee

With this option, a manual flat fee is applied before billing. This finance charge/late fee option requires manual processing before billing in *Accounting > Calculate Manual Finance Charges and Late Fees*, and is further detailed in the 'Manual Flat Fee Process' section below.

ADD ACCOUNT CLASS ? X

Details | Customer Portal | Payment Processing | Status Management | Finance Charges / Late Fees

FINANCE CHARGE TYPE	Manual Flat Fee
ANNUAL RATE	0.00
CHARGE CODE	
CHARGE MINIMUM	0.00
PAST DUE MINIMUM	10.00

SAVE

1. Select "Manual Flat Fee" from the **Finance Charge Type**.
2. Select the **Charge Code** billing should use when applying finance charges and late fees to an invoice.
3. Enter a **Past Due Minimum**; this is the minimum amount an account must be past due by in order for a finance charge or late fee to apply.

Manual Flat Fee Process

Pathway: Accounting > Calculate Manual Finance Charges and Late Fees

The screenshot shows a web form titled "CALCULATE MANUAL FINANCE CHARGES / LATE FEES". The form is set against a light blue background. At the top, there is a blue header bar with the title and a green question mark icon. Below the header, there are five input fields arranged vertically. The first field is "ACCOUNT CLASS" with a dropdown arrow. The second is "BILL GROUP" with a dropdown arrow and a grey 'X' icon. The third is "DATE" with a text input containing "09/13/2023" and a calendar icon. The fourth is "AMOUNT" with a text input. The fifth is "NOTE" with a larger text area. At the bottom of the form is a green button with the text "CALCULATE FINANCE / LATE FEES".

1. Open **Calculate Manual Finance Charges / Late Fees** in the Accounting Module
2. Select the **Account Class** the manual finance charge/late fee applies to.
3. Select the **Bill Group** to identify the specific accounts the finance charge or late fee applies to.
 - o NOTE: This is important to select as not all accounts in the account class follow the same billing cycle.
4. Enter a **Date** the finance charge code was assessed.
5. Enter the **Amount** of the finance charge.
6. Add a **Note** that will be included on the invoice with the Finance Charge/Late Fee.
7. Follow your billing procedure and the manual finance charge/ late fee will be added to the invoices of past due accounts.

One Time Fee Per Invoice

With this option, a finance charge or late fee will be applied one time per invoice and is only calculated for scheduled batches.

ADD ACCOUNT CLASS ? X

Details Customer Portal Payment Processing Status Management Finance Charges / Late Fees

FINANCE CHARGE TYPE	One Time Fee Per Invoice
RATE	0.00
CHARGE CODE	
CHARGE MINIMUM	0.00
PAST DUE MINIMUM	10.00

SAVE

1. Select "One Time Fee Per Invoice" from the **Finance Charge Type**.
 2. Enter the **Rate** that will be applied on the invoice if a late fee applies. The rate for this finance charge type is a flat rate.
 3. Select the **Charge Code** billing should use when applying late fees to invoices.
 4. Enter the **Charge Minimum**; this is the minimum dollar amount an account must be charged. If the Rate is less than the charge minimum, the charge minimum is applied.
 5. Enter a **Past Due Minimum**; this is the minimum amount an account must be past due by in order for a finance charge or late fee to apply.
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