

# Late Fee Setup

Last Modified on 04/30/2024 11:02 am EDT

**Pathway:** [Setup](#) > [Account](#) > [Account Class](#)

The following article outlines the process of configuring late fees that can be applied either to an account's invoice or during billing. To provide flexibility among account classes on how late fees are applied, there are three late fee options: 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 Late Fee, you must first create a "Late Fee" charge code. This code will be utilized in billing and is displayed on invoices with the charge amount. Once the charge code is created, you can incorporate it into the Late Fee setup within the Account Class. It's important to note that the same charge code can be applied to all late fee setup options.

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

## 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.

The screenshot shows a web application window titled "ADD ACCOUNT CLASS" with a blue header bar containing a help icon and a close icon. Below the header is a navigation bar with tabs: "Details", "Customer Portal", "Payment Processing", "Status Management", and "Finance Charges / Late Fees". The "Finance Charges / Late Fees" tab is active. The form contains the following fields:

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

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

#### 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**

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

**CALCULATE MANUAL FINANCE CHARGES / LATE FEES**

ACCOUNT CLASS

BILL GROUP

DATE 09/13/2023

AMOUNT

NOTE

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.

The screenshot shows a software interface for configuring account classes. The title bar reads 'ADD ACCOUNT CLASS' with a help icon and a close icon. Below the title bar are five tabs: 'Details', 'Customer Portal', 'Payment Processing', 'Status Management', and 'Finance Charges / Late Fees'. The 'Finance Charges / Late Fees' tab is active. The form contains the following fields:

<b>FINANCE CHARGE TYPE</b>	One Time Fee Per Invoice
<b>RATE</b>	0.00
<b>CHARGE CODE</b>	
<b>CHARGE MINIMUM</b>	0.00
<b>PAST DUE MINIMUM</b>	10.00

At the bottom of the form is a green 'SAVE' button.

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.