

Late Fees



Every service business has to choose whether or not to assess Late Fees to past due invoices. If you decide to do so, PestaRoo makes it easy and automatic.

How it Works

Late Fees are typically implemented to 'tweak' customers into paying on time. Although they can turn into a small revenue stream, they typically serve as a means to encourage prompt payment so as to keep your A/R numbers manageable. PestaRoo makes it easy to have Late Fees automatically created on a schedule that you determine.

When the Late Fee system is activated, PestaRoo reviews each invoice once a day to determine if a Late Fee is justified. This determination is based on a set of fields showing at what days the late fee will be assessed. Those invoices that have a balance due beyond any of the prescribed **Late Fee Intervals** will be assessed a late fee based on that invoice **Balance Due** and the **Late Fee Percentage**. This invoice is then flagged as having received its late fee for that interval. Late fees are created in a special Late Fees table that allows us to print a date range report of assessed Late Fees which may be required by your accountant. The late fee records are accessible from Manager's Access. An invoice's **Balance Due** is based upon the original Invoice Amount less any payments, plus the total of the assessed Late Fees. If a late fee is deleted from the late fees table, then it is immediately reflected in a lower **Balance Due**.

Version

Late Fees requires PestaRoo Version 3.06 or higher.

Setup

To turn on the late fee system, go to Home Page Preferences and click on the 'Late Fees' tab. Filling in all the fields marked with the Blue Asterisk will make the Late Fee system active.

Three fields must have values:

Late Fee Percentage

Late Fee Intervals (At least one value)

Late Fee Message

Each of the six **Late Fee Intervals** is a number of days after the invoice's **posted date** that determines when a Late Fee will be assessed. Typically the first value will be 30 or 40 days. The additional Late Fee Intervals are normally spaced at 30 day steps from the days in the first field. The **Late Fee Percentage** is the fraction to be charged at each late fee assessment. For example, to charge 2 % for each interval, enter ".02". If you enter ".02", a \$100.00 invoice will be charged a \$2.00 late fee. The **Late Fee Message** appears at the bottom of every WO, Invoice, and Statement to warn the customer that a late fee of some % will be applied after X days. The **Late Fee Message** is required in most states. An example **Late Fee Message** follows:

"Invoices are due within 30 days. A late fee of 2% will be added to the balance due of any late invoice at that time, and then additionally every 30 days."

Special Exclusions

Once the late Fee system is set-up, PestaRoo creates all the needed Late Fees, except for the three following special exclusions.

From Invoice Data Entry, ('Notes' Tab) you can set the **Late Fee YN** field, to 'no' and no further late fees will be assessed to that single invoice, regardless of payment status. If the Invoice field, **Late Fee YN** is empty, its value is presumed to be a 'yes'.

From Customer Data Entry (Left-side of window) you can set the **Late Fee YN** field to 'no' and no further late fees will be assessed to that any invoices for that customer, regardless of their payment status. If the Customer field, **Late Fee YN** is empty, its value is presumed to be a 'yes'.

From Value list of Service Types (Left-side of window) you can set the **Late Fee YN** field to 'no' and no further late fees will be assessed to any any invoices for that service type, regardless of their payment status. If the Service Type field, **Late Fee YN** is empty, its value is presumed to be a 'yes'.

Viewing

From Invoice List, you can scroll to the right where you can view the the **Total of Late Fees** for a given invoice. Plus, you can click on "View LF" button to view the individual Late Fees, and when they were assessed.

You can not edit or delete Late Fees from here, but only view them. To edit them, see 'Manager's Access' section below.

Late Fee Report

From the date range report screen you can print a Late Fee report, that summarizes all the late fees, the invoice's customer and location, and the late fee amounts.

Managers Access

From Manager's Access you can get access to the actual Late Fee table. In this table you can delete or add or change a late fee(s). However, if you make any change here, you must also 'ReCalc' the related invoice in order for its **Balance Due** to reflect your change. Three buttons exist to assist you:

"ReCalc Invoice"

"Delete Late Fee and ReCalc Invoice"

"Delete Late Fee only"

Any change to a late fee record must be followed by clicking on the ReCalc Invoice button.

Remember, "ReCalc" updates the **Balance Due**.

Late Fees can only be deleted via one of the two delete buttons.

You may add a manual late fee from within Manager's Access. See below.

Manual Late Fees

You may add a manual late fee. Indeed, you can create as many late fees as you choose for a single invoice. The automatic system, though, will only create one late fee per standard interval, regardless of how late it is.

Manual late fees may be created from within Manager's Access, even when the Late Fee system is NOT active. However, without the pre-printed warning on Invoices and Work Orders, this may not be legal in some states.