

Applying finance charges

Goal: Apply finance charges to overdue payments for a particular project, a specific client, or all projects.

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You can apply finance charges to overdue payments on

- a particular project.
- all projects of a particular client.
- all projects.

When you want to notify a client of finance charges, you print a client statement.

This quick lesson assumes you have already set up your finance charges in [Company > Preferences](#). If you have not, see the *Setting up finance charges* quick lesson first.

Then, return to this quick lesson for guidance on how to apply finance charges.

Step 1: Overview of the Manage Finance Charges window

1. Click **Manage > Finance Charges**.

For each group, you select the finance charge date, and you can also select a set of reference numbers.

You create finance charges in groups.

These groups can be based on a client, a project, or on all overdue payments.

2. Ajera considers an invoice past due when the finance charge date is more than the number of grace period days (selected in [Company > Preferences](#)) beyond the invoice date.

Ajera also uses the finance charge date as the accounting date.

Ajera automatically enters today's date in this field.

Step 2: Apply finance charges

- Let's apply finance charges to last month's overdue payments. In this quick lesson, you want to include finance charges for all invoices outstanding as of October 1.

The screenshot shows the 'Manage Finance Charges' window. The 'Finance charge date' is set to 10/01/11. The 'Reference number' is FC-Sep-11. The 'Increment reference number' checkbox is checked. A table below shows columns for 'Past Due', 'Reference Number', 'Percent', and 'Amount'.

Enter October 1.

Let's append a sequentially incremented number to the end of each reference number in this group, beginning with the number 0001.

Enter Sep-11 since you are applying finance charges for the month of September 2011.

This is an ID you want to use with the group of finance charges you are applying. This ID will appear after the letters FC in the reference number.

- Now you decide which finance charges to apply.

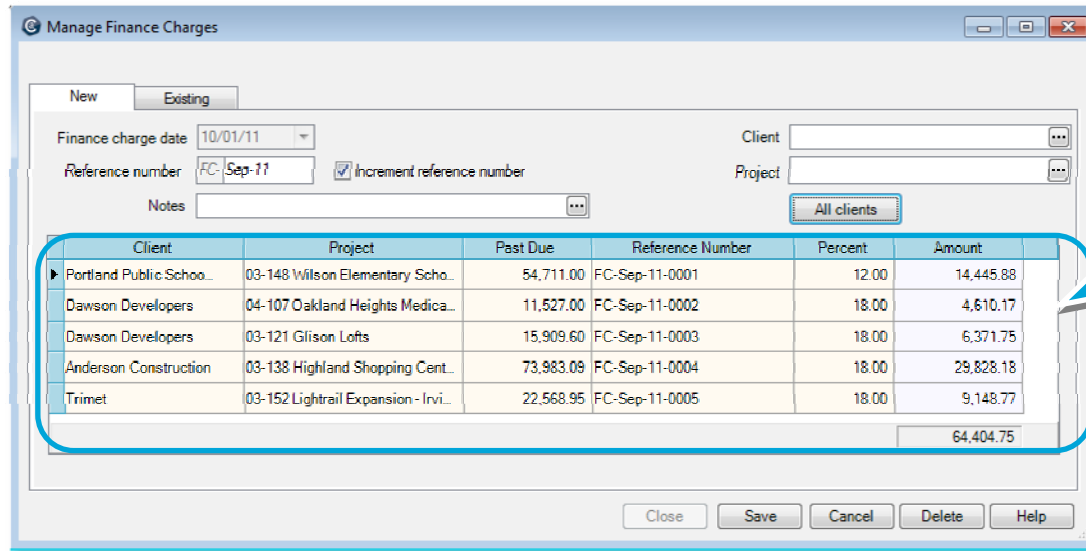
The screenshot shows the 'Client' and 'Project' selection fields. The 'All clients' button is visible. A table below shows columns for 'Number', 'Percent', and 'Amount'.

You can apply finance charges to:

- all projects of a particular client
- one specific project
- all clients and projects

Step 2: Apply finance charges (continued)

- You want finance charges for all clients, so you click the **All clients** button.



The screenshot shows the 'Manage Finance Charges' window with the 'Existing' tab selected. The 'Finance charge date' is set to 10/01/11, and the 'Reference number' is FC-Sep-11. The 'Increment reference number' checkbox is checked. The 'All clients' button is highlighted. The table below shows the following data:

Client	Project	Past Due	Reference Number	Percent	Amount
Portland Public Schoo...	03-148 Wilson Elementary Scho...	54,711.00	FC-Sep-11-0001	12.00	14,445.88
Dawson Developers	04-107 Oakland Heights Medica...	11,527.00	FC-Sep-11-0002	18.00	4,610.17
Dawson Developers	03-121 Glison Lofts	15,909.60	FC-Sep-11-0003	18.00	6,371.75
Anderson Construction	03-138 Highland Shopping Cent...	73,983.09	FC-Sep-11-0004	18.00	29,828.18
Trimet	03-152 Lightrail Expansion - Irv...	22,568.95	FC-Sep-11-0005	18.00	9,148.77
					64,404.75

Ajera displays all of the finance charges in the table.

You can manually edit the amount of each finance charge or delete a finance charge.

- Let's keep the finance charges that Ajera calculated. Click **Save**.

Step 3: Print a client statement

To notify your clients of the finance charges, you send a client statement. Let's print a statement for Dawson Developers.

1. Select **Reports > Client > Client Statements**.
2. Do the following:


Client Statements

Statement as of 10/10/11

Client Dawson Developers

Project

Invoice Number	Invoice Date	Receipt	Receipt Date	Receipt M
Dawson Developers				
03-121 Glison Lofts				
00360	5/13/2009		6/11/2009	Check 13,610.00
				-12,000.00
				Invoice Total 1,619.17
00370	6/12/2009			14,290.43
FC-Month2-0001	7/1/2009			15.17
FC-Sep-11-0003	10/1/2011			6,371.75
				ing 22,296.52
04-107 Oakland Heights Medical Clinic				
00366	6/12/2009			11,527.00
FC-Sep-11-0002	10/1/2011			4,610.17
				Project Outstanding 16,137.17
				Client Outstanding 38,433.69

3. To print the statement, click the **Print**  button in the toolbar.
4. If you want to write off finance charges, the process is the same as writing off client invoices: you enter a credit memo in Manage Client Receipts. For detailed instructions, select **Help > Contents > Client receipts > Entering a credit memo**.

Summary

You now how to apply finance charges and how to print a client statement to notify clients of charges to their overdue payments.

If needed, see the *Setting up finance charges* quick lesson.