Penalties

Penalties can be easily set up, assigned to fees, and applied to delinquent invoices in just a few steps. This help doc outlines all three scenarios.

Setting Up a Penalty

1. Go to Program Setup>Database Setup>Penalties.
2. Click the green Add button and select the Invoice Item Category.
3. Enter a Description (penalty name) and click Ok.
4. Select the Penalty Amount type:

Percentage based example, using 5%, to be entered as 5.00000		
Original Fee		$230.00
Percentage		5%
Penalty Amount		$11.50
Total Amount Due *(using rounding)*		$242.00

Flat Dollar Amount example		
Original Fee		$230.00
Flat Dollar Amount		$10
Total Amount Due		$240.00

Rate Table example

Click the Setup Rate Table button and set the rates up as percentages or flat amounts.

Penalty Rate Table   ✕

Penalty Item: Engineering - Penalty

Rate Table:

From Days	To Days	Percentage	Flat Amount	
0	30	0.00	$5.00	✕
31	60	0.00	$10.00	✕
61	90	0.00	$15.00	✕
<double-click or begin typing here to add a new row.>				

Close

Original Fee	$230.00
Penalty Amount (65 days)	$15.00
Total Amount Due	**$245.00**

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5. If applicable, turn on the Penalty Invoice Item is Lienable setting and enter the Transfer to Tax Code.

6. Click the GL Settings tab and set up the distribution. Please feel free to contact Support for assistance.

General Ledger Information

Setup the General Ledger Distribution for this item

GL Distribution: Enforcement Fees

Distribution Details:

Billing Debit GL Number (Receivable)	Billing Credit GL Number (Revenue)	Receipting Debit GL Number (Cash)	Receipting Credit GL Number (Receivable)	Percent
101-000-040.000	101-000-650.000	101-000-001.000	101-000-040.000	100.00

Assigning a Penalty to a Fee Item

1. Go to Program Setup>Database Setup>Fee Schedules and select the Record Type (permit, enforcement, etc.).

2. Locate the fee to which you are assigning the penalty.

3. Turn on the Fee is Penalizable setting.
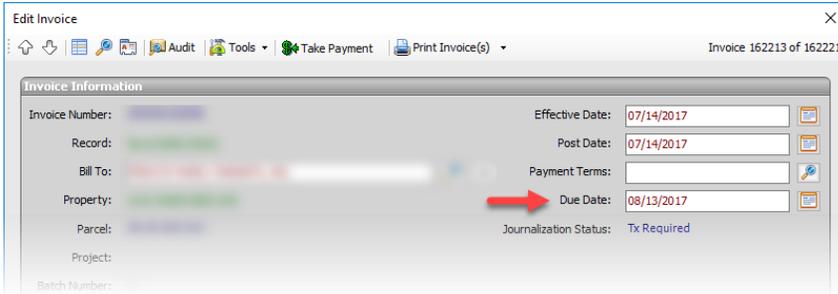
4. Click the Setup the Penalty for This Item command link and select the Penalty.

5. Click Close.

Importance of Due Date on Invoices

When you're adding an invoice with fee items subject to Penalties, pay close attention to the Due Date. Penalties are assessed using this date.

Applying Penalties

A default filter is applied to find only those invoices with a balance due and a due date prior to "today's" date (the date you run the task). You may change this default filter. The penalty is added to the original invoice as a separate line item.

1. Go to Tasks>Apply Penalties. The task loads using the default filter of All Overdue Invoices. You may change the filter using the Edit Filter button (1) or the Quick Filters pane (2).
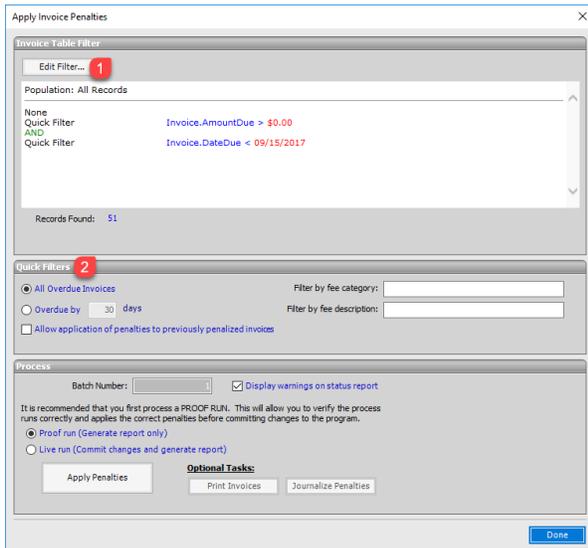
2. Batch Number is set automatically by the program.

3. Proof Run is the default selection. A proof run should always be done before a live run to ensure the data is correct. Click Apply Penalties, then click Yes to view a report. Penalties are not applied at this point.

4. Carefully review the report before you close it.

5. Click Ok to clear the Trial Mode prompt.

6. Provided everything is correct, select Live Run, then select Apply Penalties, then click Yes. Penalties are applied.

7. Optional. Click Print Invoices to print the penalty invoices and mail them to the Responsible Party.

8. Click Journalize Penalties. This is especially important for Enforcement fees, which are typically accrual-based. Penalty invoices need to be journalized in order for revenue to be credited and the appropriate receivable to be debited.