



# Late Fees

Property Management Solutions for Over 30 Years

**Overview** This document explains the late fee profile and how to charge late fees.

- [Late Fee Profile](#)
- [Early Payment Discount](#)
- [Charge Late Fees](#)
- [Reconcile Per Day Late Fees](#)

## Default

By default all late fees collected go to the Management Group ledger directly (not through the owner's ledger). For this to happen, a Late Fee profile must be defined in <<Setup, Late Fees>> and selected in the Tenant profile.

## Split Fees

The late fee can be split between the owner and the management group by setting the [Owner Percentage of Late Fees] in the [Management Fee profile](#) defined in <<Setup, Management Fees>> and selected in the Unit profile. The Owner ledger and Management Group ledger each reflect their portion of the collected late fee.

## Late Fee Profile

A payment is determined to be late and subject to late fees by adding the Grace Period defined below to the Date Assessed in the Tenant Profile. Assuming the date assessed is the 1st and the grace period is 5 days, a payment is late starting on the 7th. The late fee amount can be fixed or a % of the balance late or the sum of both. In addition, a per day late fee may be applied. The owner may be credited with any percent of the collected fees.

Scheduled Receivables		Fixed \$25 [Late Fee]	
ID	25	Fixed	\$25
Late Fees		Late Fee Calculation Methods	
Grace Period in Days	5	Base Fee	Flat Fee Plus Percentage
Fixed Dollar Amount	\$25.00	Balance Late	All Charges
Percent of Balance Late		Schedule	Daily
Charge Per Day Late	\$2.00	Day of Month	
		Minimum	
		Maximum	\$50.00
Late Charge		Other Options	
LATE FEE: Late Fee		<input type="checkbox"/> Charge Current and Future Tenants Only	
		<input type="checkbox"/> Current Month Processing for Per Day Fees	
		<input checked="" type="checkbox"/> Charge Per Day Fees only When Reconciling	
Discount for Early Payment of Rent			
Maximum Days after Due Date			
Fixed Dollar Amount			
Percent of Rent			

## Grace Period in Days

This field defines the number of days after rent is due that it is not considered late. This can be overridden by putting a grace period in the Tenant Profile. The grace period plus 2 is the day late fees can be charged. So if the rent will be late on the 6<sup>th</sup>, the grace period is 4. (due on day 1; grace on days 2,3,4,5; late on day 6)

## Fixed Dollar Amount

Enter a dollar amount if the late fee is fixed rather than based on rent.

## Percent of Balance Late

When defined as a percent, the late fee is calculated based on the Balance Late field under Late Fee Calculation Methods.

## Charge Per Day Late

This amount accumulates and is calculated based on the number of days between the date of the last past due charge and the Scheduled Thru date chosen when compiling late fee candidates. See [Reconcile per day late fees](#).

## Late Fee Calculation Methods

This group of fields sets up the parameters for calculating late fees.

**Base Fee** - Select the base fee from the Find List.

**Flat Fee plus Percentage** - can be a flat fee, a percentage or a combination.

**Greater of Flat or Percentage** - whichever amount is greater, the flat fee or the amount calculated using the percentage.

**Lesser of Flat or Percentage** - whichever is less, the flat fee or the amount calculated using the percentage.

## Balance Late

This is the amount that will be used to calculate the late fee. Select from the Find List:

**All Charges** - all unpaid charges will be taken into consideration

**New Charges** - all unpaid charges since the last late fee was charged

**Rent Only** - only unpaid rent charges will be considered

**All Charges, Cap at Rent** - consider all unpaid charges but not more than the monthly rent amount

**New Charges, Cap at Rent** - consider all unpaid charges since the last late fee, but not more than the monthly rent amount

**Rent Only, Cap at Rent** - consider only unpaid rent, but not more than the monthly rent amount

**All Charges, Set at Rent** - all unpaid charges will be taken into consideration when determining if tenant is late, but the percent will be calculated on the base rent amount.

**Current Charges, Set at Rent** - consider all unpaid charges since the last late fee, calculate late fee percent on the base rent amount.

**Rent Only, Set at Rent** - consider only unpaid rent, calculate late fee percent on the base rent amount.

## Schedule

The schedule for charging late fees can be never, daily or almost anything in between. Select the schedule from the Find List. A monthly schedule means that a month must have passed before another late fee can be charged.

## Day of Month

When <<AR, Scheduled Receivables, Late Fees>> are compiled after the day of month entered here, they will still post the next month on that Day of Month.

## Minimum

If the calculated late fee charge is less than the minimum, the late fee candidate will be marked skipped.

## Maximum

If the calculated late fee charge is more than the maximum, the maximum amount will be used.

## Other Options

### Charge Current and Future Tenants Only

Marking this checkbox will eliminate Past Active Tenants from consideration for late fees.

### Current Month Processing for Per Day Fees

The default for computing per day fees is to go back to the oldest charge since the last late fee. Marking this checkbox will only go back to the beginning of the current month.

### Charge Per Day Fees only When Reconciling

This pertains to the Scheduled Receivables function [Reconcile Per Day Late Fees](#).

## Late Charge

Enter the charge code that will be used on the late fee charge. This code is defined in Setup, Charge Codes. You can type in the code or use the Find List to select it.

## Discount for Early Payment of Rent

This section lets you enter information to calculate early payment discounts on rent. See the [How to PDF #255](#) for an explanation of how they are calculated. Discount processing can be turned on and off in Processing Defaults.

### Maximum Days after Due Date

Enter here the maximum number of days after the rent due date that you offer a discount or credit on the rent.

### Fixed Dollar Amount

If the discount is a fixed dollar amount enter the amount here.

### Percent of Rent

If the discount is a percent of the rent amount enter the percentage here.

## Charging Late Fees

1. Select <<AR, Scheduled Receivables>>
2. Click on the radio button for <Late Fees>.
3. The [Scheduled Through] date defaults to today's date. Change the [Scheduled Through] date to the day for determining late charges
4. Click the <Compile> button. A list of tenant late fee candidates will display.  
Clicking anywhere on the line item will allow you to edit the late fee amount. It will bring up several lines of information including the Record ID for the tenant profile, the record ID for the unit, the days late.

Date	Tenant	Late Charge	Amount	
10/7/2019	GURO: Edward & Marianne Guro Unit: MAIN212: 212 Main Street	Late Fee	\$27.00	<input type="checkbox"/> Skip
10/7/2019	ROSEMAN: Rita Roseman Unit: CEDAR327: 327 Cedar Lane	Late Fee	\$27.00	<input type="checkbox"/> Skip
10/7/2019	SPOTZ: Robert Spotz Unit: WB202: Willow Brooke Unit 202	Late Fee	\$27.00	<input type="checkbox"/> Skip

  

Balance Due	\$400.00	Times Late		Base Charge	\$25.00
Balance Late	\$400.00	Last Charged		Per Day Charge	\$2.00
Days Late	1	Last Amount		Total Charge	\$27.00

Sort By Tenant     Sort By Unit

              

All Late Fees / Selected Late Fees / First Time Late / Selected First Time Late / Skipped Late Fees

5. You can sort the list by Tenant or by Unit using the radio button on the bottom left.
6. You can review the candidates and make any changes necessary.
7. Print a report by clicking the <Report> button. It will print in the order displayed on the screen.
8. Click the <Post> button to record the charges. The tenant ledger for each tenant charged now reflects the amount charged as a late fee. You can view or edit these in <<AR, Tenant History>>.

Other information displayed includes:

- Balance Due - the total of all unpaid charges
- Balance Late (as of the Scheduled Through date)
- Days Late - calculated from the oldest unpaid charge
- Times Late - based on prior late fee charges over the past 12 months
- Last Charged - the most recent late fee charge
- Last Amount - the most recent late fee charge amount
- Base Charge - calculated based on the Late Fee Profile
- Per Day Charge - calculated based on the Late Fee Profile
- Total Charge - the total late fee based on the base charge and the per day charge

To zero out or change the late fee amount, either mark the Skip checkbox or click in the amount field and enter the new amount.

### **Who gets charged a late fee?**

Tenants who have unpaid charges that are subject to late fees and are beyond the grace period.

- Tenant must be assigned a LATE FEE PROFILE.
- There must be unpaid charges with charge codes marked [Subject to Late Fees]
- Tenant cannot have a late fee charge within the late fee schedule time period
- Unit must have an active status

### **How often can a late fee be charged?**

It depends on the schedule.

- If the [Schedule] is monthly a fee cannot be automatically charged more than once every 30 days.
- If the [Schedule] is daily they can be automatically charged at any time as long as they meet the charge criteria.

### **Management Fee**

The same management fee percentage as taken on collected rent can be taken on a late fee under the following circumstances:

1. The Tenant Profile has no Late Fee selected.
2. In <<Setup, Charge Code, Late Fee>> the [Subject to Management Fee] checkbox is marked.
3. In <<Setup, Management Fees>> the [Percent of Collected Rent] should be the percent to be given to the Management Group.

The Owner ledger will show the total amount of late fees collected as income and the Management Fee as expense. The Management Group ledger will show only the management fee amount.

NOTE: The function <<AR, Scheduled Receivables, Late Fees>> will not consider tenants with no Late Fee selected in their profile. Thus all late fees must be manually charged in <<AR, Charge Tenant>> or in <<AR, Tenant Receipt, New Charges>>.

### **Troubleshooting:**

If there are tenants who have unpaid charges yet don't show up on the list of candidates, check the following.

- Check the rent charge code in Setup, Charge Codes to see if the Subject to Late Fees check box is checked.
- Do the tenants have a Late Fee Profile selected in their Tenant Profile on the Lease tab?
- Have the tenants been charged a late fee in the last 30 days? If the Late Fee schedule is monthly, it must be 30 days since the last late fee charge. Check the Late Fee Profile for schedule and Tenant History for the last late fee charge.
- Is the tenant charge within the grace period? Check the Late Fee Profile in Setup and the Tenant Profile, Grace Period field.
- Is the tenant status other than current or future?
- Is the unit status active?
- Is there a percentage or flat fee amount in the late fee profile?

## Reconcile Per Day Late Fees

This function allows you to charge per day late fees that get added on to the base late fee. There must be a Fixed or Percentage base late fee.

Base late fee charges:

The screenshot shows the 'Assess Late Charges' window with a table of late fees. The table has columns for Date, Tenant, Late Charge, and Amount. Three tenants are listed with a late fee of \$25.00 each, each with a 'Skip' checkbox.

Date	Tenant	Late Charge	Amount
10/7/2019	GURO: Edward & Marianne Guro Unit: MAIN212: 212 Main Street	Late Fee	\$25.00 <input type="checkbox"/> Skip
10/7/2019	ROSEMAN: Rita Roseman Unit: CEDAR327: 327 Cedar Lane	Late Fee	\$25.00 <input type="checkbox"/> Skip
10/7/2019	SPOTZ: Robert Spotz Unit: WB202: Willow Brooke Unit 202	Late Fee	\$25.00 <input type="checkbox"/> Skip

At the bottom, there are radio buttons for 'Sort By Tenant' (selected) and 'Sort By Unit'. Buttons for 'Help', 'Post', 'Report', 'Skip All', and 'Cancel' are also visible.

Tenant History after charge

The screenshot shows the 'Tenant History' window for unit MAIN212: 212 Main Street. It displays a financial summary and a table of transactions.

Posted	Description	Amount	Due Date	Paid	Remaining	Memo
10/1/2019	Rent	\$950.00	10/1/2019		\$950.00	
10/7/2019	Late Fee	\$25.00	10/7/2019		\$25.00	

Summary values shown on the right:

- Current: \$975.00
- 30 Days: \$0.00
- 60 Days: \$0.00
- 90 Days: \$0.00
- Not Yet Due: \$0.00
- Total: \$975.00

Financial summary values:

- Balance: \$975.00
- Unpaid Charges: \$975.00
- Deposits: \$1,150.00
- Advance Payments: \$0.00
- Open Credits: \$0.00

## Compile Reconcile screen

The Reconcile Late Fees screen will display the old charge and the new, revised charge. When you post, the old charge amount will change to the new charge amount and the date will be changed to the date on the Scheduled Receivables screen.

## Tenant History screen after posting

Posted	Description	Amount	Due Date	Paid	Remaining	Memo
10/1/2019	Rent	\$950.00	10/1/2019		\$950.00	
10/9/2019	Late Fee	\$31.00	10/9/2019		\$31.00	\$25.00 + \$2.00/day for 3 days

The reconciliation can be done daily or weekly or whatever schedule you wish. If the tenant has paid between the time of the last charge and this time, they will not be charged.