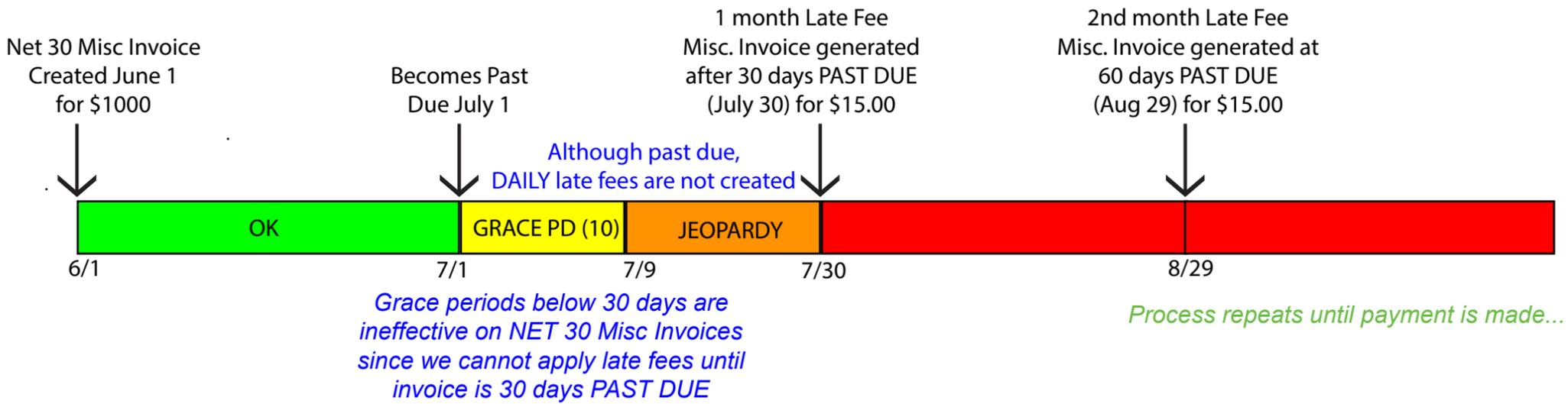


Late Fee Accounting Principles

A "NET 30" invoice for \$1000 technically becomes past due on day 30, so in principal we could begin creating daily late fee invoices for 1/30 of the monthly percentage rate on day 30. But we could not see the sense in flooding your customers with daily late fee invoices each having a late fee amount of 50 cents (assuming a monthly percentage of 1.5%). For this reason, we decided to wait the full 30 days PAST DUE before we create/send a late fee invoice or addition.

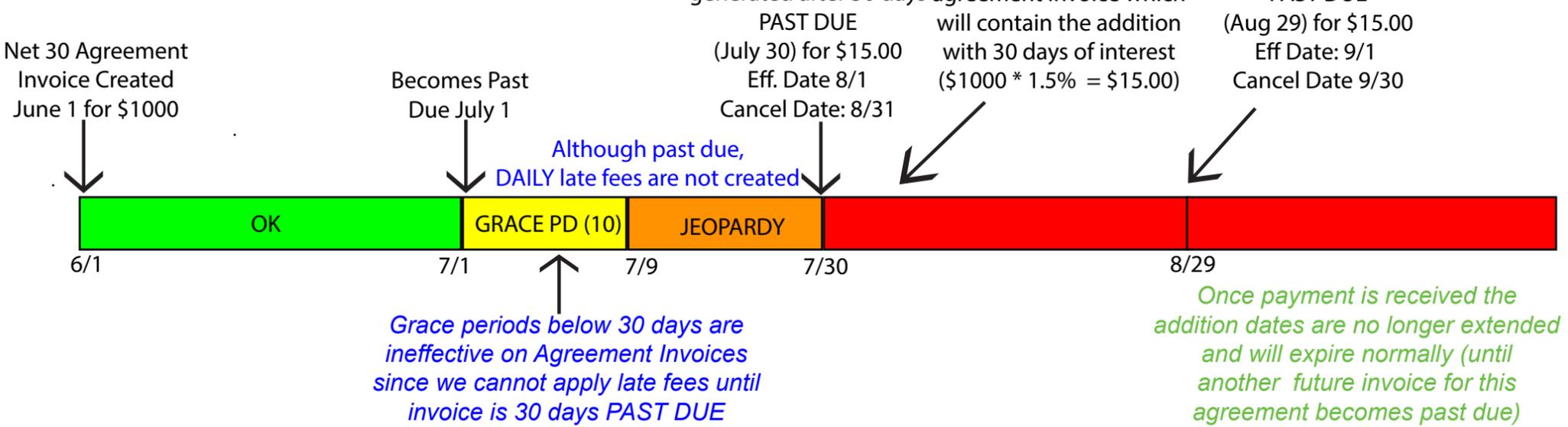
Misc. Project and Standard Invoices

(fees set to 1.5% per month)



Agreements (Monthly)

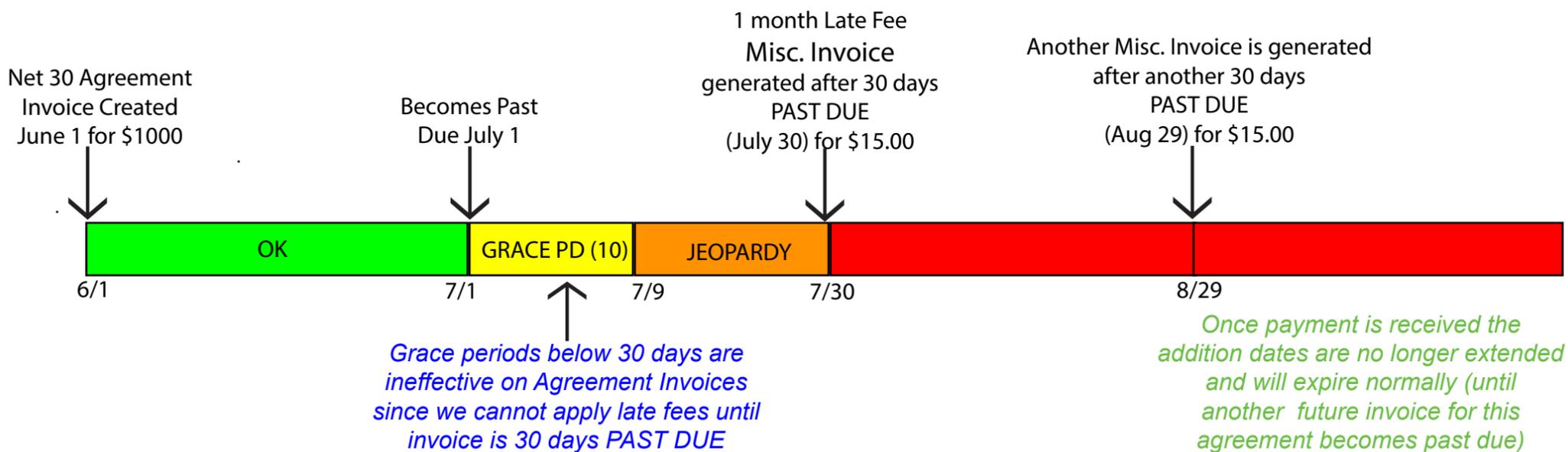
(fees set to 1.5% per month)



Agreements (Non-monthly)

(annual, quarterly, billed ahead more than 1 month, etc) (fees set to 1.5% per month)

Since we are not sending monthly invoices, creating an agreement addition would be pointless, instead we create a Misc. invoice for these late fee charges. The INTERNAL NOTES on the created invoice will detail the reason it was converted.



If Grace periods below 30 days are ineffective on NET 30 - why have them?

Since we don't charge late fees until 30 days PAST DUE, we recommend simply setting them to 0 if all of your invoices are NET 30. However, if some of your invoices are sent DUE UPON RECEIPT, the grace period can be effective in allowing for mail time, etc.