

Processing

The following rules apply:

- User must have a “Annual Finance Charge Rate” setup on S-F6.
- If the Minimum Finance Charge amount is zero or null then there is no minimum charge.
- A customer must have an AR Balance
- A customer must have Finance Charges on [G] set to YES
- The user is asked for an “Assess Charges Through Date” when [M-A-F9] is pressed.

As each customer is processed the following math is used to calculate the finance charge to assess:

- Only invoices that have a Due Date that is less than or equal to the “Assess Charges Through Date” will be assessed finance charges.
- The Finance Charge Days for each invoice is calculated using this formula:

Finance Charge Days = “Assess Charges Through Date” –
max(Invoice Due Date, Last Finance Charge Date for Customer)

- Only invoices with an open balance will be assessed finance charges.
- The calculation for finance charges follows:
$$((\text{Finance Charge Days}) / 365) * (\text{“Annual Finance Charge Rate”} / 100) * \text{Balance Due on Invoice}$$

If the finance charge calculated is not more than the Minimum Finance Charge as specified on S-F6 then the Minimum Finance Charge will be applied.

NOTE: Sales Tax is not assessed on the calculated finance charges.

At the conclusion of finance charge assessment dates in Orion are updated:

- For the entire Orion system the Last Finance Charge Date is set
- For each customer the customer’s Last Finance Charge Date is set (only for customer that had invoices that were processed)

NOTE: Finance Charges can be calculated on Finance Charges.