

Prepay Money - Give Customer Interest

Last Modified on 01/27/2022 11:36 am CST

This method is often used when the dealer wants to avoid the bookkeeping chore of setting, applying, and tracking special prepay pricing. This option takes the prepay dollars and adds interest at the time the payment is taken. The product is then billed at in-season prices using up the prepay credit (*Actual Paid + Interest*) until it is gone.

With this method, the customer may prepay either specific product or generic prepay money.

How to Give Customer Interest on Prepay Money

Note: Set up a Pay Method for Interest, posting to the general ledger account for interest expense.

1. Go to *A/R / Product Bookings* and select **Add**.
2. Choose the customer involved by double-clicking on .
3. Select the option for *Generic Prepay*. Choose a *Generic Prepay Type*, the *Price Level*, and enter the amount of interest being added to the customer's account. **Hint:** A *Generic Prepay Type* could be set up specifically for adding interest on customer prepay.
4. Save the Booking and optionally print a copy of the Booking.
5. Following the Booking, a *Receive Payment(s) on Account* screen appears. Change the Pay Method to *Interest*, and then **Save** the Payment. This causes the payment on account and cash detail to reflect that no money was actually received from the customer, but the customer's Prepay balance is increased by the amount of the interest.

Partial Prepay - Contract Down Payment

Sometimes partial payment of prepay is taken to lock in certain prices. The customer is typically paying a portion of a certain product, such as a 10% down payment, to lock in a price, but the balance of the product will not be prepaid. When this Prepay is used on an Invoice, it will be used in the proportion entered on the partial payment of the Booking.