



Advanced Late Payment Interest Calculator Users Guide

Instructions on using the Advanced Late Payment Interest Calculator to help you improve cash flow, claim what is rightfully yours under The Late Payment of Commercial Debts (Interest) Act and promote prompt payment from your customers.

www.payontime.co.uk Is the only website dedicated to the United Kingdoms late payment legislation. It provides useful and practical information as well as tools to help businesses get paid on time. It also has the biggest prompt payment supporter group in the UK with thousands of supporters from different business sectors.

To learn more visit:

<https://payontime.co.uk>

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Disclaimer

This calculator of late payment interest is a tool designed to be used as part of your toolkit of credit management control. It is an aid to support you in advising debtors that you are capable of making a claim against them for interest and compensation under the LATE PAYMENT OF COMMERCIAL DEBTS (INTEREST) ACT 1998. It should be remembered that the late payment legislation is designed as a deterrent against late payment. It should be used as part of standard business practices and credit management techniques

The calculations and claim letters available to you are designed to help you keep track of what you are owed and communicate with debtors. The provider of the calculator, Payontime, its associates, contractors, subsidiaries and any person or organisation associated with the website cannot be held responsible for any outcome whatsoever of your use of this application. Any information offered in the use of this application or advice in interpreting the legislation should be taken as a guide only and is in no way a substitute for your own familiarity with appropriate law and the workings and procedures of the legal system.

This software, its conception, design, and coding is registered with the UK copyright service. Any attempt to copy the Advanced Calculator or emulate the Advanced Late Payment Calculator will be dealt with under UK Law.

About the Advanced Late Payment Interest Calculator

Debt recovery is time consuming. Repeated phone calls and letters are often met with false promises of payment. The Advanced Late Payment Interest Calculator (ALPIC) has been developed to make managing claims under the Late payment of Commercial Interest act simple and easy by removing a lot of the administration time.

Some of the features are:

- Full breakdown of the calculation result.
- If the debt remains unpaid, interest is updated on a daily basis.
- Client details can be added or saved to an address book for easy recall.
- Calculation history allows you to view and edit previous calculations.
- Unpaid claims update interest on a daily basis. No need to recalculate.
- Add a discount if the debt is paid within a specified period.
- Part payments can be allowed for and the claim details updated.
- Multiple claims to the same debtor can have compensation added individually or as a batch (to follow).
- Claim status can be as unpaid or paid.
- Claims can be backdated 6 years retrospectively for invoices that have been paid but paid late.
- Send the debtor an email or print out with all necessary claim details filled in.
- Different Late payment demand letters details depending on the type of claim being made.
- Debtor can view the claim online updated with the latest interest owed.
- Debtor can choose the method of payment (Cheque or Bacs) and extra interest is added accordingly.
- The debt stays in history until paid in full allowing you to collect up to six years after invoicing or delivery of goods/services.

Speed

Calculating is fast. Once company and debtor details are set up and saved, you can create and send a claim in less than 30 seconds. The calculation can be printed or emailed and is automatically saved to history where you can review at a later date. No need to recalculate latest interest if you need to send a reminder to the debtor, just choose email or print and all information such as days late, interest owed and total owed are updated.

Security

All information is secure. As well as our ISP's security, the site is protected by anti hacking and anti virus software as well as an encrypted SSL connection for the claimant and debtor (you will see the secure connection padlock on your

browser). The site also has a 100% safe rating on <https://safeweb.norton.com>. The debtor can view the claim via a unique random 9 digit code number produced for each calculation. No information will be shared by Payontime with any third party.

Why you should use this calculator

The calculator allows you to make a claim that automatically updates on a daily basis. Once done, there is no need to recalculate the debt each time the debtor needs reminding. It allows you work on current and future work but it puts you in control of actually doing something about collecting payment without spending a lot of time and money.

The debtor can view any claim online and see the amount owed to today's date. Seeing the interest accrue daily will spur the debtor to pay quickly.

Asking to be paid on time is not a crime and the advanced calculator will help make debtors aware of the legislation and their obligations to pay when payment is due. It does not take away your ability to negotiate different payment period times beyond the statutory 30 day period set by the legislation or to agree a different payment settlement. It DOES show that you understand being paid on time is key to growing your business and thus offering your clients a better service. That way, everybody benefits.

Doing something about getting paid on time can also be helpful if you ever need to take things further. Having evidence of claims created with the advanced calculator and received by the debtor can only help your cause. Sitting back and doing nothing, then making claims without evidence that you actually tried to get paid will not.

Becoming a signed up Pay on Time supporter AND using the calculator means that you are joining thousands of other businesses who are tired of being paid late and sending a message to late payers that there is no excuse. The more supporters work together, the less late payers can exploit suppliers.

To sign up as a supporter, please visit

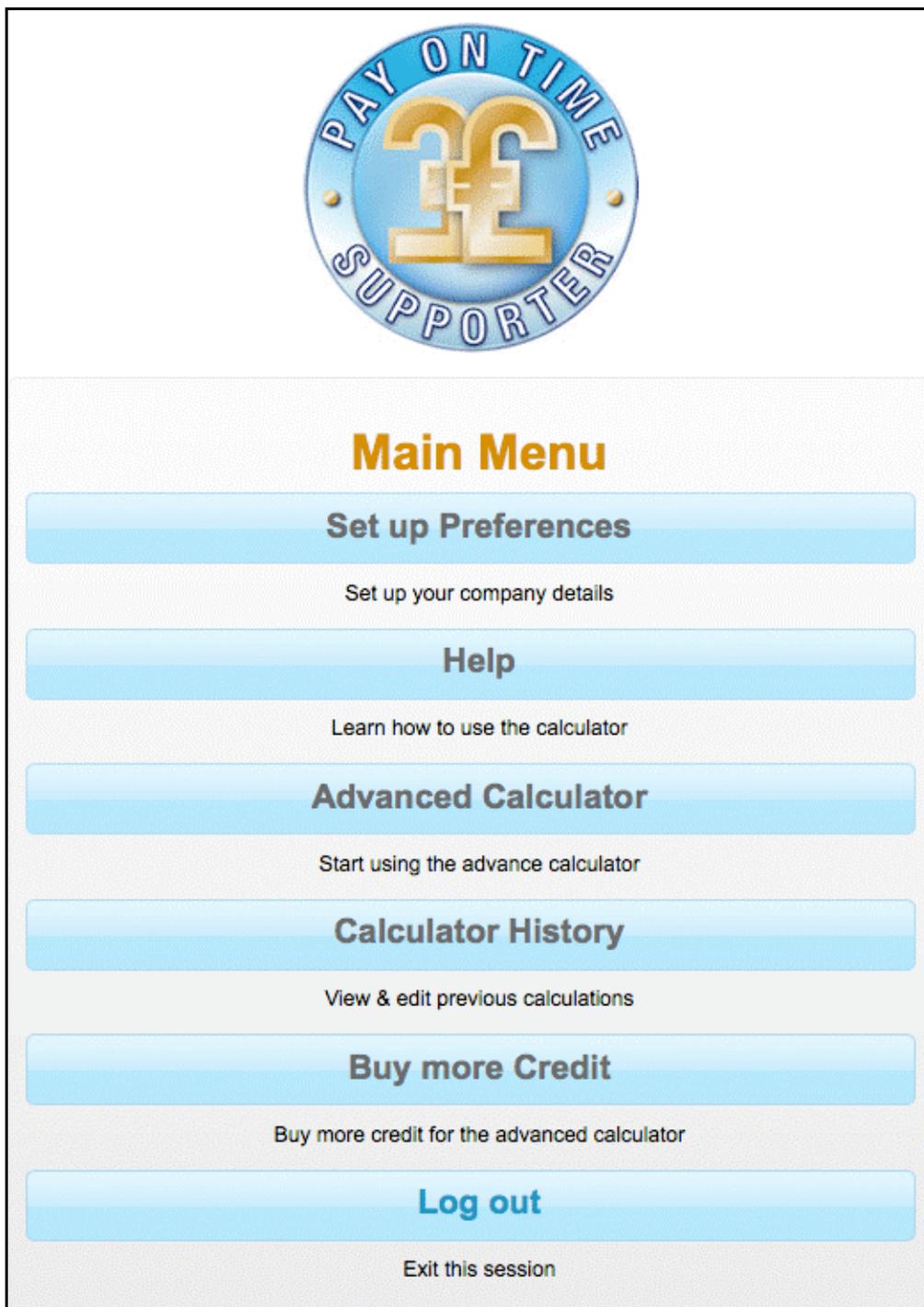
[Become a Payontime supporter](#)

Advanced Late Payment Interest Calculator

Quick Start Users Guide

We strongly advise that you make yourself familiar with your rights to claim interest and compensation by reading our [guide to the late payment legislation](#)

1. In the main menu click on **set up preferences**. Hover your mouse over question marks for guidance.



The main menu.

Set Up Preferences

Enter the details of your company below. This information will be used when you make a claim for late payment interest and compensation

Smith and Sons Ltd	?
John Smith	?
Managing Director	?
Unit 28	
Progress Industrial Estate	
Progress Way	
Wiltshire	
Surrey	
WR5 7TY	
0207 193 4698	
d.smith@smith-and-sons.com	
Lloyds TSB	?
0123456	
40-33-90	
LOYDGB21151	
GB20 LOYD 3091 7201 4412 66	
	? Upload company logo



[Delete company logo](#)

The Preferences screen. Enter your company details.

2. After setting up your company preferences, return to the **main menu** and click on **advanced calculator**, then **client address book**. Add a **new client** and click **use**. This will take you to the calculator with client details filled in.



Advanced calculator options

Calculate one debt
Choose this option if you are claiming on one debt

Client address book
Add client details to the address book for fast access.

Calculator History
View & edit previous calculations

Credit Available: 149
Amount of credit available

Buy More Credit
Buy more credit for the advanced calculator

[Main menu](#)

The advanced calculator menu



Client address book

Add new client

Acme Traders

Use

Edit

Delete

Cheesman Clark

Use

Edit

Delete

Dawsons Engineers

Use

Edit

Delete

Everall Pumps Ltd

Use

Edit

Delete

Mind Eye

Use

Edit

Delete

Parksons

Use

Edit

Delete

[Add new client](#)

[Main menu](#)

[Calculator options](#)

[Exit](#)

The address book screen

3. Enter purchase order and invoice details, then date the contract was formed and the date the debt became overdue. If the debt is unpaid, leave the date paid as today's date. Finally add the invoice total including VAT.

Calculate one debt

choose client from address book or add new

Cheesman Clark	?
Brian Cheesman	?
The Old Coal Yard	?
24 Purley Drive	
Address line 3 (Optional)	
Caterham	
Surrey	
CR3 8TY	
01883 343837	
b.Cheesman@cheesmans.co.uk	?

Client purchase order:	?
Invoice number:	?
Service or goods description (Optional):	

Date Contract formed	1	January	2011	?
Date Overdue	1	January	2011	?
Date Paid	11	May	2011	?
Amount owed	£	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	?

Calculate one debt screen

4. On the **calculator results** page, if you want to promote prompt payment, add a discount amount and a time limit to pay. Choose to either **save the calculation to history** to use at a later date, **save and email** or **save and print**.

Calculator results

Date calculation made: 11 May 2011
Client: Cheesman Clark
Client Reference 2387
Goods description: Goods and services
Our Invoice number: 9908
Date contract formed: 08/02/2011
Date overdue: 15/02/2011
Date paid: (unpaid)

Total invoice =	£896.54
Total days overdue: =	85 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.2088
Total Interest owed =	£17.75
Compensation: =	£40.00
Total owed to date: =	£954.29
Apply discount for prompt payment	£ <input type="text" value="0.00"/> ?
Discount finish date =	<input type="text" value="11"/> <input type="text" value="May"/> <input type="text" value="2011"/> ?
Total with discount: =	£954.29

STATUS: UNPAID

[Save calculation to history](#)

[Save & Email calculation](#)

[Save & Print calculation](#)

[Main menu](#)
[Calculator options](#)
[Exit](#)

The calculator result

5. If you are going to email or print the calculation, review the auto generated claim and either print, email or copy the claim for pasting into your own template.

Email this calculation

Cheesman Clark
The Old Coal Yard
24 Purley Drive
Caterham
Surrey - CR3 8TY

Dear Brian Cheesman

Your reference number 2387

Balance Due as at 11/05/2011: £954.29 Comprising capital sum of £896.54 plus interest of £17.75 plus compensation for debt recovery costs of £40.00

Your payment for our invoice number 9908 for Goods and services is now 85 days overdue. No queries have been raised on your account, so the balance remaining is undisputed.

In accordance with the late payment legislation, our company charges debt recovery costs of £40.00 and interest on late payments of 8.5%. This means that interest will continue to accrue on the above invoice at a rate of £0.2088 a day. As of today's date, the outstanding interest stands at £17.75.

You can view the claim by visiting this web page (http://payontime.co.uk/index.php?option=com_lpc&view=claim) and entering this code 384102367. If you have any queries, please contact me immediately by telephone on 0207 888 9999

Yours sincerely

David J Tyler
Managing Director

[Main menu](#)
[Calculator options](#)
[Exit](#)

The auto generated claim for print or email. A copy is automatically sent to you.

6. Any calculation made is saved to **history**. When viewed, unpaid debts are updated to today's date. Click on **View** to send an updated reminder to the debtor. Click on **Edit** to make changes to the debt such as a part payment.



Calculation history

Date	Client	Inv. No.	Amount	Status		
11/5/11	Cheesman Clark	9908	£954.29	unpaid	EDIT VIEW	✘
30/4/11	Cheesman Clark	978	£1,093.05	unpaid	EDIT VIEW	✘
29/4/11	Acme Traders	66666	£85.83	unpaid	EDIT VIEW	✘
29/4/11	Acme Traders	66666	£85.83	unpaid	EDIT VIEW	✘
28/4/11	Acme Traders	1111	£1,463.91	unpaid	EDIT VIEW	✘
28/4/11	Cheesman Clark	6666	£485.73	paid	EDIT VIEW	✘
28/4/11	Acme Traders	9999	£1,093.06	unpaid	EDIT VIEW	✘

Calculation history shows the amounts owed to today's date.

The debtors view

7. The debtor will receive a unique **reference number** with the claim where they can securely log in and review the claim.



Client login

Enter your company name as written in the claim you have received

Enter claim number as written in the claim you have received

[Login](#)

The debtor login screen

Payment options will be displayed and they can choose a method of payment (BACS or Cheque) and the final total owed will be adjusted to suit. The debt will update **interest** and **total owed** each day until paid.



Smith and Sons Ltd. Claim 385110542

Today's date: 17 May 2011
Client: Cheesman Clark
Client Reference 2387
Goods description: Goods and services
Our Invoice number: 9908
Date contract formed: 08/02/2011
Date overdue: 15/02/2011
Date paid: (unpaid)

Total invoice =	£654.29
Total days overdue: =	91 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.2088
Total Interest owed =	£13.87
Compensation: =	£40.00
Total owed to date: =	£708.16
Payment by bacs: + 2 days interest =	£708.58
Payment by cheque: + 5 days interest =	£709.21

[View creditor details](#)

[Pay by Bacs](#)

[Pay by Cheque](#)

[View historical claims](#)

The debtors view including payment options.

Advanced Late Payment Interest Calculator

Detailed User Guide

Setting up a Payontime account

An account with Payontime is required to use the advanced calculator. Please remember the account username and password! Once created you will need purchase credit before you can make a claim. Different pricing options allow you to choose the package you think will fit your requirements. Once chosen you will be taken to PayPal where you can purchase credits securely online with your credit/debit card, or your PayPal account.

When your credits run out, you will be prompted to buy more before you can make more claims. Note that you can still view previous claims. These are not removed from your account. But you will not be able to make new claims or edit/email/print previous claims.

Credits are used when you make a claim, add a part payment that generates a revised claim and letter and when you make a final payment to mark the debt as paid. This generates an email or print for the debtor to inform them that the debt is paid in full.

Credits are subject to VAT at the standard UK rate of 20%. You can download or print a purchase invoice at the Paypal screen. Confirmation and a receipt are also sent to your email address.

Main menu

The **main menu** is the first page you see when you enter the advance calculator. Here you can **Set up Preferences**, find out about **help files**, use the **advanced calculator**, view and update previous calculations in the **calculator history**, **buy more credit** to use the calculator or **log out** of the session you are in.



Main Menu

Set up Preferences

Set up your company details

Help

Learn how to use the calculator

Advanced Calculator

Start using the advance calculator

Calculator History

View & edit previous calculations

Buy more Credit

Buy more credit for the advanced calculator

Log out

Exit this session

Set up preferences

Hover your mouse over the question marks to see helpful tips.

Enter the required information about your business. This information will be used in the generated emails and printouts to the debtor.

If you want your logo on the generated print out, then you can upload it from your computer. If you are going to print the email onto your own pre printed letterheads, then leave this blank. You can edit your details at any time.

Set Up Preferences

Enter the details of your company below. This information will be used when you make a claim for late payment interest and compensation

Smith and Sons Ltd	?
John Smith	?
Managing Director	?
Unit 28	
Progress Industrial Estate	
Progress Way	
Wiltshire	
Surrey	
WR5 7TY	
0207 193 4698	
d.smith@smith-and-sons.com	
Lloyds TSB	?
0123456	
40-33-90	
LOYDGB21151	
GB20 LOYD 3091 7201 4412 66	
	?
	Upload company logo
	Save

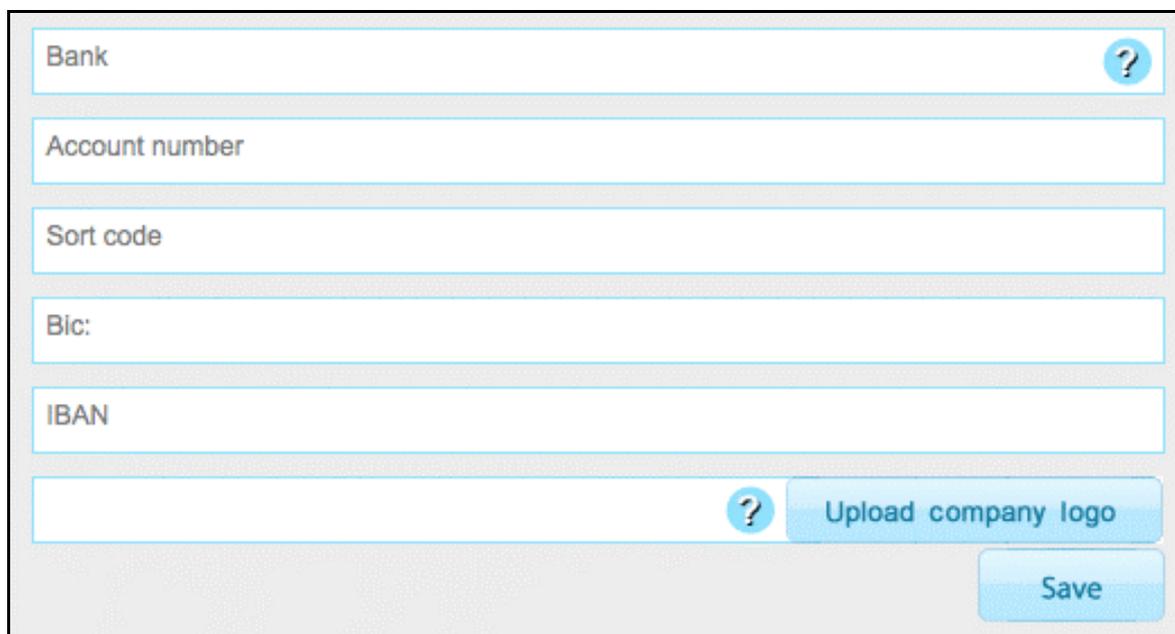


[Delete company logo](#)

Set up preferences screen

If you want to have the option of being paid by BACS, add your BACS details at the end of the **set up preferences** screen.

The details will be used on the **debtor claim** page. Leave this blank if you do not want to show the debtor your BACS details (see page 47).



The screenshot shows a form with the following fields and buttons:

- Bank (with a help icon ?)
- Account number
- Sort code
- Bic:
- IBAN
- Upload company logo (with a help icon ?)
- Save

The BACS section of the preferences page.

Help

A brief overview of the **advanced calculator** with links to help files and information.

The Advanced calculator

The **advanced calculator** page links to the **one debt calculator**, the **client/debtor address book**, **calculator history** (previously saved calculations) as well as a snapshot of **available credit**.



Advanced calculator options

Calculate one debt
Choose this option if you are claiming on one debt

Client address book
Add client details to the address book for fast access.

Calculator History
View & edit previous calculations

Credit Available: 149
Amount of credit available

Buy More Credit
Buy more credit for the advanced calculator

[Main menu](#)

Advanced calculator screen

Calculate one debt

Hover your mouse over the question mark to see helpful information.

Firstly add client/debtor details. You can do this by either choosing a pre-saved client from the **address book**, or by **adding new details** into the fields.

Click on save to save the client/debtor details to the **address book**. Click on use to automatically fill in the client/debtor details.

Next enter the clients purchase order, your invoice number and job description. This will be used to create the generated emails and print outs in the calculation. Finally enter the date information and the invoice amount **including VAT**. Click the calculate button.

Calculate one debt

choose client from address book or add new

Cheesman Clark	?
Brian Cheesman	?
The Old Coal Yard	?
24 Purley Drive	
Address line 3 (Optional)	
Caterham	
Surrey	
CR3 8TY	
01883 343837	
b.Cheesman@cheesmans.co.uk	?

ClearSave to address book

Client purchase order:	?
Invoice number:	?
Service or goods description (Optional):	

Date Contract formed	1	January	2011	?
Date Overdue	1	January	2011	?
Date Paid	11	May	2011	?
Amount owed	£	<input style="width: 50px;" type="text"/>	<input style="width: 20px;" type="text"/>	?

Calculate

Calculate one debt screen.

Calculation results

The following screen will contain the full details of the calculation. Here you have the option to **add a discount** to the total amount and a **time limit** when the discount is automatically removed. This is to help encourage your debtor to pay promptly.

Calculator results

Date calculation made: 11 May 2011
Client: Cheesman Clark
Client Reference 2387
Goods description: Goods and services
Our Invoice number: 9908
Date contract formed: 08/02/2011
Date overdue: 15/02/2011
Date paid: (unpaid)

Total invoice =	£896.54
Total days overdue: =	85 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.2088
Total Interest owed =	£17.75
Compensation: =	£40.00
Total owed to date: =	£954.29
Apply discount for prompt payment	£ <input type="text" value="0.00"/> ?
Discount finish date =	<input type="text" value="11"/> <input type="text" value="May"/> <input type="text" value="2011"/> ?
Total with discount: =	£954.29

STATUS: UNPAID

Save calculation to history

Save & Email calculation

Save & Print calculation

[Main menu](#)
[Calculator options](#)
[Exit](#)

Calculation results

Save calculation to history button

This saves the calculation and takes you to **the history page**. Use this if you want to send the claim at a later date.



Calculation history

Date	Client	Inv. No.	Amount	Status		
11/5/11	Cheesman Clark	9908	£954.29	unpaid	EDIT VIEW	✘
30/4/11	Cheesman Clark	978	£1,093.05	unpaid	EDIT VIEW	✘
29/4/11	Acme Traders	66666	£85.83	unpaid	EDIT VIEW	✘
29/4/11	Acme Traders	66666	£85.83	unpaid	EDIT VIEW	✘
28/4/11	Acme Traders	1111	£1,463.91	unpaid	EDIT VIEW	✘
28/4/11	Cheesman Clark	6666	£485.73	paid	EDIT VIEW	✘
28/4/11	Acme Traders	9999	£1,093.06	unpaid	EDIT VIEW	✘

Calculation history screen

Save & email calculation – Save & print calculation

Save the calculation to **history** and generate a preview email/print with all of the information taken from your **preferences set up**, debtor details and debt calculation. This can then be sent to the debtor using the auto filled debtor email address or another of your choice. A reference number is also generated for the debtor so they can view the claim online (see page 44). If you send the claim as an email, it is sent as plain text to ensure it is compatible with all email software. A copy is automatically sent to your email address that you entered in **preferences set up**. If you only want to send the email to yourself, delete the email address from the preview and click send. If you prefer, you can copy the preview details and paste into your preferred package.

Email this calculation

Cheesman Clark
The Old Coal Yard
24 Purley Drive
Caterham
Surrey - CR3 8TY

Dear Brian Cheesman

Your reference number 2387

Balance Due as at 11/05/2011: £954.29 Comprising capital sum of £896.54 plus interest of £17.75 plus compensation for debt recovery costs of £40.00

Your payment for our invoice number 9908 for Goods and services is now 85 days overdue. No queries have been raised on your account, so the balance remaining is undisputed.

In accordance with the late payment legislation, our company charges debt recovery costs of £40.00 and interest on late payments of 8.5%. This means that interest will continue to accrue on the above invoice at a rate of £0.2088 a day. As of today's date, the outstanding interest stands at £17.75.

You can view the claim by visiting this web page (http://payontime.co.uk/index.php?option=com_lpc&view=claim) and entering this code 384102367. If you have any queries, please contact me immediately by telephone on 0207 888 9999

Yours sincerely

David J Tyler
Managing Director

[Main menu](#)
[Calculator options](#)
[Exit](#)

The generated claim with all details filled in.

Calculate Multiple debts

The **multiple calculator** is for making a number of claims from the same client/debtor. This is a much more convenient way to claim for example **retrospectively** on invoices that have been paid but were paid late.

A time limited **discount** can be added to promote quicker payment and compensation can be added to each invoice, batched together invoices or part batching and applying compensation (say by month). This gives you the option to apply compensation to suit your requirements or invoice amounts.

The multiple calculator is work in progress.

Client address book

The **address book** stores your client / debtor details in a convenient place.

Use: This will automatically fill in the address fields of the calculator.

Edit : Make any changes to existing details and save

Delete: Remove the address from the **address book**.

Add new client: Add new client /debtor address and contact details. Address and contact details added in on the calculator page can also be saved to the **address book**.



Client address book

[Add new client](#)

Acme Traders	Use	Edit	Delete
Cheesman Clark	Use	Edit	Delete
Dawsons Engineers	Use	Edit	Delete
Everall Pumps Ltd	Use	Edit	Delete
Mind Eye	Use	Edit	Delete
Parksons	Use	Edit	Delete

[Add new client](#)
[Main menu](#)
[Calculator options](#)
[Exit](#)

Client address book.

Calculator history

All calculations that you make are saved to **history**. The list of **previous calculations** shows the date the calculation was made or edited, the debtors name, your invoice number, the amount owed at today's date. If the invoice amount is unpaid and interest is running, the amount owed is recalculated to today's date. The status is **UNPAID** or **PAID**.



The logo is a circular emblem with a blue border. Inside the border, the words "PAY ON TIME" are written in white capital letters along the top arc, and "SUPPORTER" is written along the bottom arc. In the center of the circle is a large, stylized gold pound sterling symbol (£).

Calculation history

Date	Client	Inv. No.	Amount	Status		
11/5/11	Cheesman Clark	9908	£954.29	unpaid	EDIT VIEW	✘
30/4/11	Cheesman Clark	978	£1,093.05	unpaid	EDIT VIEW	✘
29/4/11	Acme Traders	66666	£85.83	unpaid	EDIT VIEW	✘
29/4/11	Acme Traders	66666	£85.83	unpaid	EDIT VIEW	✘
28/4/11	Acme Traders	1111	£1,463.91	unpaid	EDIT VIEW	✘
28/4/11	Cheesman Clark	6666	£485.73	paid	EDIT VIEW	✘
28/4/11	Acme Traders	9999	£1,093.06	unpaid	EDIT VIEW	✘

Calculation history shows the amounts owed to today's date.

View calculation

Click on **VIEW**. If unpaid it will show you the calculation updated to today's date with the latest interest owed. If the calculation had a date limited **discount**, and this date has passed, the calculation will show the amount owed with the discount removed. If the calculation has had a part payment made where interest and compensation were reduced to zero on the date the part payment was made, then the calculation will show any daily interest added since that date. [See page 36 to learn more about part payments.](#)

If you want to send the debtor a reminder email or print with the amount owed at today's date, click on the appropriate button. If you prefer, you can copy the claim details and paste into your own template.

Calculation updated

Date calculation revised: 24 May 2011

Client: TAK Ltd

Client Reference 5

Goods description: Unpaid debt

Our Invoice number: 5

Date contract formed: 08/02/2011

Date overdue: 08/03/2011

Date paid: (unpaid)

Total invoice =	£1,264.88
Total days overdue: =	77 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.2946
Total Interest owed =	£22.68
Compensation: =	£70.00
Total owed to date: =	£1,357.56
Apply discount for prompt payment	<input type="text" value="£ 0.00"/> ?
Discount finish date =	<input type="text" value="24"/> <input type="text" value="May"/> <input type="text" value="2011"/> ?
Total with discount: =	£1,357.56

STATUS: UNPAID

[Email Calculation](#)

[Print Calculation](#)

[Edit](#)

[Main menu](#)

[Calculator options](#)

[Exit](#)

View calculation screen

Edit calculation

Either click **EDIT** in the history list or the **EDIT** button in the **View calculation**. The top calculation shows the original dates overdue and invoice amount etc. The part payment box below is pre-filled with the total owed at today's date.

You can make any changes to the claim details, add a **part payment** or finish the claim by leaving the **part payment** field with the default total owed and clicking save. If the debtor makes a **part payment**, add it in the **part payment** field, enter a reason for the change and click save. The calculation will be updated to the new amount owed. Please note that interest and compensation are paid first so these are zeroed. Daily interest will continue the next day.

This is useful if you have a situation where the debtor pays the invoice total but ignores the interest and compensation claimed.

[See page 36 to learn more about part payments.](#)

The screenshot shows a web form for editing a calculation. It is divided into two main sections. The top section contains the following fields:

- Date Contract formed: 12, March, 2011, with a help icon.
- Date Overdue: 12, April, 2011, with a help icon.
- Date Paid: 23, May, 2011, with a help icon.
- Amount owed: £2102, 88, with a help icon.

The bottom section contains the following fields:

- Part payment: £500, 00.
- Date Paid: 23, May, 2011.
- Reason for change: A text area containing the text "Part payment of £500.00".

A blue "Save" button is located at the bottom right of the form.

If a client makes a part payment, enter the amount and click save

Delete calculation.

If you no longer need the claim details, click the red X button to delete them.
Note that after the warning, deletion will be permanent!

How to Claim retrospectively

The late payment legislation allows you to **claim retrospectively** going back six years (5 years in Scotland) on debts that have been paid, but were either paid later than your agreed payment terms, or if no payment terms were in place, a default of 30 days. There are circumstances where the default credit period may differ where a long standing relationship used a payment period such as the last day of the following month. In this case, the debt would become overdue after this date. We recommend that you read the users guide to understand your rights to claim interest and compensation.

[Late payment legislation users guide](#)

Keep in mind that the older a retrospective claim is, the more important it is to have supporting, accurate evidence with your claim.

Follow the steps on page 20 for claiming one debt.

In the **date paid** field, change the default of today's date to the date that you received payment. Click calculate.

The screenshot shows a web-based calculator interface for claiming a debt retrospectively. It features several input fields and a 'Calculate' button.

- Input field 1: 8879 (with a help icon ?)
- Input field 2: 3288 (with a help icon ?)
- Text field: Printing Ink
- Date Contract formed: 28 July 2009 (with a help icon ?)
- Date Overdue: 28 August 2009 (with a help icon ?)
- Date Paid: 14 November 2009 (with a help icon ?)
- Amount owed: £ 1422 90 (with a help icon ?)
- Button: Calculate
- Navigation links: [Main menu](#), [Calculator options](#), [Exit](#)

Claiming retrospectively.

The calculation result is different to an unpaid to today's date debt. The total invoice is shown but not added to the total owed as it has already been paid. The total owed is for the interest and compensation only.

You can add a time limited **discount** at this stage if you wish.

Calculator results

Date calculation made: 3 October 2011

Client: Hopkins

Client Reference 1234

Goods description: Software updates

Our Invoice number: 4321

Date contract formed: 09/03/2010

Date overdue: 09/04/2010

Date paid: 19/08/2010

Total invoice =	£6,670.00
Total days overdue: =	132 days
Interest rate used: =	8.5%
Daily interest rate: =	£1.5533
Total Interest owed =	£205.03
Compensation: =	£70.00
Total owed to date: =	£275.03
Apply discount for prompt payment	£ <input type="text" value="40.00"/> ?
Discount finish date =	<input type="text" value="16"/> <input type="text" value="October"/> <input type="text" value="2011"/> ?
Total with discount: =	£235.03

STATUS: UNPAID

[Save calculation to history](#)

[Save & Email calculation](#)

[Save & Print calculation](#)

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The retrospective result with a discount added.

We recommend that you print a claim in the first instance. Emailing the claim will send a copy to the debtor and to your email address you entered in **preferences**. The claim details are made up from the company preferences, the clients contact details, the type of claim being made and the claim details. **Note that the text used for a retrospective claim is different from the text used for an unpaid claim.** If you prefer, copy the information to use in your preferred application.

Print this calculation

Hopkins

Unit 8 Wandle business Park
Wandle Drive
Merton
London - SW1 ERD

Acme Trading
1 Park House
22 Pitleane road
Trumpton
Hertfordshire - HE3 5TT

Dear John Hopkins

We note that although our invoice 4321 for Software update Comprising capital sum of £6,670.00 has been paid, according to our terms of payment, it was paid on the 19/08/2010 which was late by 132 days.

In accordance with the late payment of commercial debts interest act, our company charges retrospectively for debt recovery costs of £70.00 compensation and £205.03 interest based on the reference rate of 8.5% that was in force on the date of 09/04/2010 when the debt became overdue.

The amount of interest and compensation owed is £275.03.

This claim is discounted by £40.00 if the claim is paid before 03/10/2011 so the total owed will be (total with discount: = £235.03).

You can view the claim by visiting this web page (<http://payontime.co.uk/advanced-statutory-interest-calculator-debtor-login>) and entering this code 109281051. If you have any queries, please contact me immediately by telephone on 012345678.

Yours sincerely

John Smith
Accounts Director

Print

[Main menu](#)

[Advanced calculator](#)

The email / print ready to send to the debtor.

How to add a time limited discount.

Adding a **discount** to a claim can be useful if you want to encourage the debtor to pay promptly. The amount can be set to any amount you want. You can set a time limit for the discount to end if the debt is not paid on or before a set date. The discount will then be removed and the debt will revert to the full Total owed.

You can also add a **discount** to a **part payment** and a **retrospective claim**. If a debtor makes a **partial payment** you can add a time limited **discount** to encourage the debtor to pay the remainder promptly.

Total invoice =		£1,422.90
Total days overdue: =		78 days
Interest rate used: =		8.5%
Daily interest rate: =		£0.3314
Total Interest owed =		£25.85
Compensation: =		£70.00
Total owed to date: =		£95.85
Apply discount for prompt payment		£ 20.00 ?
Discount finish date =	24	May 2011 ?
Total with discount: =		£75.85

A discount of £20.00 has been added. After the discount finish date, the total owed will revert back to £95.85.

The amount of interest and compensation owed is £95.85.

This claim is discounted by £20.00 if the claim is paid before 24/05/2011 so the total owed will be (total with discount: = £75.85).

You can view the claim by visiting this web page ([http:// payontime.co.uk /lpc/index.php?option=com_lpc&view=claim](http://payontime.co.uk/lpc/index.php?option=com_lpc&view=claim)) and entering this code 468296118. If you have any queries, please contact me immediately by telephone on 01883 567498.

The email and print out letter informs the debtor of the discount applied if they pay before the end date.

When the debtor receives a claim via email or post, it includes a unique nine-digit number where they can go online securely to view the claim. The **discount** is shown in the claim. If the discount date passes and the debt has not been paid, then the debt will revert to the total owed before the discount. Read more about the debtors claim on page 44.

Atari Graphics. Claim 468296118

Today's date: 24 May 2011

Client: Quick Print

Client Reference 8879

Goods description: Printing Ink

Our Invoice number: 3288

Date contract formed: 28/07/2009

Date overdue: 28/08/2009

Date paid: (unpaid)

Total invoice =	£95.85
Total days overdue: =	78 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.3314
Total Interest owed =	£25.85
Compensation: =	£70.00
Total owed to date: =	£95.85
Discount for prompt payment	£20.00
Total with discount: =	£75.85
Payment by bacs:	£75.85
Payment by cheque:	£75.85

[View creditor details](#)
[Pay by Bacs](#)
[Pay by Cheque](#)

The debtors claim screen showing the discount for prompt payment.

How to allow for part payments

If you agree staged payments with your debtor, then it is important to understand how they are treated in legal terms.

IMPORTANT. PLEASE READ!!

When a **part payment** is made, **interest** and **compensation** are paid first. The remainder is used to reduce the **invoice amount**.

For example

Total invoice = £1,000.00
Total days overdue: = 38 days
Interest rate used: = 8.5%
Daily interest rate: = £0.2329
Total Interest owed = £8.85
Compensation: = £70.00
Total owed to date: = £1,078.85

If a debtor made a **part payment** of £500.00 the new calculation would be:

Part payment: = £500.00
Total invoice = **£578.85**
Total days overdue: = 38 days
Interest rate used: = 8.5%
Daily interest rate: = £0.2329
Total Interest owed = **£0.00**
Compensation: = **£0.00**
Total owed to date: = £578.85

It is important for the debtor to understand that that when a **part payment** is made, **interest** will continue to accrue at a daily rate until the **invoice** and any accumulated **interest** are paid in full. In the example above, if after 10 days the balance remains unpaid, the amount owed by the debtor would now be:

Part payment: = £500.00
Total invoice = **£578.85**
Total days overdue: = 48 days
Interest rate used: = 8.5%
Daily interest rate: = £0.2329
Total Interest owed = **£2.33**
Compensation: = £0.00
Total owed to date: = **£581.18**

To use the **part payment** field, click on edit in the **history** list, enter the amount paid by the debtor and click save.

Date Contract formed	8	February	2011	?
Date Overdue	8	March	2011	?
Date Paid	24	May	2011	?
Amount owed	£1264	88		?

Part payment	£450	00	
Date Paid	25	May	2011
Reason for change	£450.00 paid off total owed.		

[Save](#)

Enter the part payment and a reason for the change (note. The 'reason for change' field is for future use. Details entered here are not displayed).

The calculation is updated by paying the compensation, zeroing interest owed and deducting the remainder from the invoice total. At this stage, you can encourage the debtor to pay the remainder promptly by adding a **discount**.

Calculation updated and saved

Date calculation revised: 25 May 2011

Client: TAK Ltd

Client Reference 5

Goods description: Unpaid debt

Our Invoice number: 5

Date contract formed: 08/02/2011

Date overdue: 08/03/2011

Date paid: (unpaid)

Part payment:25/05/2011 =	£450.00
Total invoice =	£907.86
Total days overdue: =	78 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.2946
Total Interest owed =	£0.00
Compensation: =	£0.00
Total owed to date: =	£907.86
Apply discount for prompt payment	£ <input type="text" value="0.00"/> ?
Discount finish date =	<input type="text" value="25"/> <input type="text" value="May"/> <input type="text" value="2011"/> ?
Total with discount: =	£907.86

STATUS: UNPAID

[Save calculation to history](#)

[Save & Email calculation](#)

[Save & Print calculation](#)

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[Calculator options](#)

[Exit](#)

The updated calculation screen after part payment.

The claim letter is revised to suit the **part payment** by informing the debtor that daily interest is continuing to accrue on the debt and gives examples of what the debt will be after 30 days, 100 days and one year.

If the debtor makes another **part payment**, interest is paid first, then the remainder deducted from the invoice total.

Email this part payment calculation

Hopkins
Unit 8 Wandle business Park
Wandle Drive
Merton
London - SW1 ERD

Dear John Hopkins

Your reference number 78787

Thank you for your part payment of £400.00 towards our invoice 77777.

The balance due at 03/10/2011 is £2,800.00
Invoice total: £2,800.00
Compensation: £00.00
Interest at 03/10/2011: £00.00

Your part payment reduces any interest and compensation first, then the remainder reduces the invoice total. Interest will continue to accrue at a daily rate of £1.0570 per day.

Examples below will show what you owe if the debt remains unpaid.

After 30 days: £2,822.71
After 100 days: £2,875.68
After 1 year: £3,076.25

You can view the claim by visiting this web page (<http://payontime.co.uk/advanced-statutory-interest-calculator-debtor-login>) and entering this code 112112291. If you have any queries, please contact me immediately by telephone on 012345678.

Yours sincerely

John Smith
Accounts Director

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[Advanced calculator](#)

The revised claim screen

If the debtor is paying in installments, previous payments are shown when you edit the debt. The **part payment** field shows the amount owed at today's date.

Previous Part payment details

S.No.	Date	Part Payment	Amount owed
1.	24/05/2011	£300.00	£439.98
2.	25/05/2011	£200.00	£240.14

Part payment £

Date Paid

Reason for change

Previous part payments in the edit screen.

Receiving payment in full for the invoice, but not the interest and compensation.

This is a common occurrence! **Interest** and **compensation** are paid off first, then the remainder pays off the **Total invoice**. This means that the invoice has not been fully paid and **interest** will continue to accrue on a daily basis until all **interest** and the remainder of the **Invoice** are paid in full. The email or print that you can send to the client show examples of the outstanding debt after 30 days, 100 days or one year.

It is entirely up to you how you treat non payment of interest and compensation. The above gives you one way of dealing with it but you may feel that you are satisfied that the invoice has been paid and edit the calculation to mark the calculation as paid.

Receiving payment in full

When a debtor pays in full, either by BACS or by cheque, then on the day the funds clear into your account, go to the **Calculator history menu** and click on the debt that you want to edit. The **part payment field** will be pre-filled with the Total amount owed at today's date. Just **click on save** and the status of the debt will be marked as **paid**. Any interest, compensation and invoice total will be set to zero. You can email or print a final letter to the debtor thanking them for their payment and showing interest, compensation and invoice set to zero.

Date Contract formed	1	February	2011	?
Date Overdue	1	March	2011	?
Date Paid	25	May	2011	?
Amount owed	£ 238	99		?

Part payment	£ 296	55	
Date Paid	25	May	2011
Reason for change	debtor paid in full by <u>BACS</u>		

[Save](#)

Enter the final amount the debtor has paid.

The calculation is updated with everything set to zero and the status marked as paid. The status in the history list will be marked as paid.

Final calculation for payment

Date calculation revised: 3 October 2011

Client: Hopkins

Client Reference 78787

Goods description: Go for it posters

Our Invoice number: 77777

Date contract formed: 05/05/2011

Date overdue: 05/06/2011

Date paid: 03/10/2011

Part payment:03/10/2011 =	£2,800.00
Total invoice =	£0.00
Total days overdue: =	120 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.7568
Total Interest owed =	£0.00
Compensation: =	£0.00
Total owed to date: =	£0.00
Apply discount for prompt payment	£ 0.00 
Discount finish date =	<input type="text" value="3"/> <input type="text" value="October"/> <input type="text" value="2011"/> 
Total with discount: =	£0.00

STATUS: PAID

[Save calculation to history](#)

[Save & Email calculation](#)

[Save & Print calculation](#)

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Final calculation screen

The final claim to the debtor thanks them for their payment and shows that the claim is paid. The debtor can view the revised claim online showing that nothing is owed.

Email this final payment calculation

Hopkins

Unit 8 Wandle business Park
Wandle Drive
Merton
London - SW1 ERD

Dear John Hopkins

Your reference number 78787

Thank you for your final payment of £2,800.00 towards our invoice 77777.

The balance due at 03/10/2011 is £0.00 and is made up as follows.

Invoice total: £0.00
Compensation: £00.00
Interest at 03/10/2011: £00.00

You can view the claim by visiting this web page (<http://payontime.co.uk/advanced-statutory-interest-calculator-debtor-login>) and entering this code 113215899. If you have any queries, please contact me immediately by telephone on 012345678.

Yours sincerely

John Smith
Accounts Director

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Acknowledgement of final payment.

Receiving claims for interest and compensation

If you receive a claim for interest and compensation, then you can review that claim online. There will be a unique 9 digit number and a website address included in the claim letter.

To review the claim, enter the website address and add your company name as it is on the claim you have received and the unique 9 digit code.



Client login

Enter your company name as written in the claim you have received

Enter claim number as written in the claim you have received

[Login](#)

Debtor login screen.

You will see a detailed breakdown of the claim. If the debt is an unpaid debt, then it will update daily the total day's late, total interest owed, the total owed to date and the final total owed depending on your method of payment.

Acme Trading. Claim 127259547

Today's date: 7 October 2011
Client: Cramers Ltd
Client Reference: BF334
Goods description: Software
Our Invoice number: 2345
Date contract formed: 11/04/2011
Date overdue: 11/05/2011
Date paid: (unpaid)

Total invoice =	£2,345.00
Total days overdue: =	149 days
Interest rate used: =	8.5%
Daily interest rate: =	£0.5461
Total Interest owed =	£81.37
Compensation: =	£70.00
Total owed to date: =	£2,496.37
Payment by bacs: + 2 days interest =	£2,497.46
Payment by cheque: + 5 days interest =	£2,499.10

[View creditor details](#)
[Pay by Bacs](#)
[Pay by Cheque](#)

The debtors view of the claim

Choosing to pay by **BACS** adds 2 days interest to the claim total to allow for the time it takes for the money reaches the creditors account.

Click on Pay by **Bacs** to see the creditors **Bacs** details, print the claim for your records and email the creditor to inform them of payment. On receipt of the money the creditor can stop the interest from continuing.

Discount for prompt payment	£0.00
Total with discount: =	£1,381.63
Payment by bacs: + 2 days interest =	£1,382.23
Bank:	Barclays
Acc number:	83272761972
Sort code:	27-65-89
IBAN:	IBAN 127282827278128
BIC:	78

[Print Information](#)

[Inform creditor of payment](#)

[Back](#)

Creditors Bacs details

Click on inform creditor of payment to send them an email with the claim details.

If paying by **cheque**, 5 days are added to the claim total to allow for the **cheque** to clear in the creditors account. This is shown in the total to pay along with the date the **cheque** should clear. Email the creditor to let them know payment has been made.

Atari Graphics. Claim 484175870

Today's date:	25 May 2011
Creditor:	Atari Graphics The Old Coal Yard, Caterhan, Surrey, CR3 7YH
Telephone:	01883 567498
Contact:	David Tyler
Email:	atari@fontasia.com
Client:	Venus Flowers 23 Oak Road, Redhill, Surrey, Rh22 6TH
Claim:	484175870
Invoice No:	45
Total to pay:	£1,383.12 by 30 May 2011
Chosen payment method:	Cheque

Please make cheques payable to Atari Graphics and send to the above address.

By clicking send email below, this information will be sent to the creditor and arrangements will be made for interest to stop on the date above.

Debtors pay by cheque screen

When the creditor receives payment and it has cleared, they will mark the claim as being paid on that date. If you login after your payment date, you should see the amount owed as zero.

Atari Graphics. Claim 485262194

Today's date: 25 May 2011

Client: Venus Flowers

Client Reference 56

Goods description:

Our Invoice number: 45

Date contract formed: 01/01/2011

Date overdue: 01/02/2011

Date paid: (paid)

Total invoice =	£0.00
Total days overdue: =	0 days
Interest rate used: =	0.0%
Daily interest rate: =	£0.0000
Total Interest owed =	£0.00
Compensation: =	£0.00
Total owed to date: =	£0.00
Discount for prompt payment	£0.00
Total with discount: =	£0.00
Payment by bacs: + 2 days interest =	£0.00
Payment by cheque: + 5 days interest =	£0.00

[View creditor details](#)
[Pay by Bacs](#)
[Pay by Cheque](#)

Debt paid screen.

Frequently asked question.

As we learn more about the type of questions users have, we will add them here.