

# N2.7

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**Category** General

**Version** 2.1A+

**Module** All

**Windows** All

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## FORWARD CHARGING ON STATEMENTS

Retailer has the option to allow customer statement to show forward charging for daily and weekly orders to assist cash flow. The use of forward charging has been approved by some publishers, but approval from your area manager should be sought before changing to this statement format.

### Join the Retailer User Group

Send an email with your name and your business name to [retailer-users-subscribe@yahoo.com](mailto:retailer-users-subscribe@yahoo.com)

### Related Advice Sheets

N2.1 Customer Statements: Requirements & Formatting

The Forward Charging option on customer statements changes the statement to show the current balance owing plus the estimated charge for whatever number of weeks in advance you wish the statement to show (see samples on next page).

Retailer calculates this amount is by multiplying the regular weekly charge for the customer by the number of weeks selected. Any stops and starts that have been recorded at the time the statements are printed will be included in the calculation.

Some preparation work is needed before commencing forward charging.

- Obtain approval to use forward charging from your area manager
- Determine how many weeks you wish to forward charge.
- Consider how you will manage the transition to forward charging.
- Ensure your staff understand the change and can explain it to customers.
- Create a new statement type for customers not being forward charged.
- Change your default statement type to use the forward charging option.

### Creating Statement Types

You will need to set up a new statement type for customers who are not going to be forward charged.

To add a statement type go to **Setup** → **Customer** → **Statement Types** and click '+Add'. Give the new statement type a name that clearly indicates its non-forward charging status. See Advice sheet N2.1 for more information on adding statement types.

### Activating Forward Charging

- Go to **Setup** → **Customer** → **Statement Types**.
- Use the blue navigation arrows at the bottom of the screen to locate the statement type you wish to change.

- Click 'More Options'.
- Tick 'Use Forward Charging'
- Enter a *Number Of Weeks*
- Click 'Save'.

### Changing A Customers Statement Type

The type of statement each customer receives is selected on the *Customer Screen* for each customer.

- Go to the customer screen and locate the customer required.
- Click on the 'Other' tab.
- In the *Additional Details* area, click the drop down arrow in the *Statement* field and select the statement type required for this customer.

### Managing The Transition

The first month that forward charged statements are used may cause adverse reactions from some customers, so your staff will need to be well briefed on how to handle this to minimise any loss of customers.

To smooth the transition it is possible to start with a forward charge of just 1 week, increasing this by an additional week each month until the full required forward charge period has been reached.

This general advice is provided by Tower Systems free of charge to supported users of its Retailer system. No warranty is made as to benefits to be gained by following this advice.



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| Date       | Description     | GST Paid | Amount   | Balance |
|------------|-----------------|----------|----------|---------|
| 02/02/2009 | Opening Balance |          |          | 48.75   |
| 08/02/2009 | DeliveryFee     | 0.09     | 0.95     | 49.70   |
| 08/02/2009 | Paper Account   | 0.80     | 8.80     | 58.50   |
| 10/02/2009 | Pd S 02/02/2009 | 0.00     | 48.75 Cr | 9.75    |
| 15/02/2009 | DeliveryFee     | 0.09     | 0.95     | 10.70   |
| 15/02/2009 | Paper Account   | 0.80     | 8.80     | 19.50   |
| 22/02/2009 | DeliveryFee     | 0.09     | 0.95     | 20.45   |
| 22/02/2009 | Paper Account   | 0.80     | 8.80     | 29.25   |

**Sample 1  
Paper Account without forward  
charging**

Please Pay Account By 04/02/2010

TOTAL  
GST on Current Transactions

\$29.25

\$2.67

| 90 Days | 60 Days | 30 Days | Current |
|---------|---------|---------|---------|
| 0.00    | 0.00    | 0.00    | 29.25   |

| Date       | Description                  | GST Paid | Amount   | Balance |
|------------|------------------------------|----------|----------|---------|
| 02/02/2009 | Opening Balance              |          |          | 48.75   |
| 08/02/2009 | DeliveryFee                  | 0.09     | 0.95     | 49.70   |
| 08/02/2009 | Paper Account                | 0.80     | 8.80     | 58.50   |
| 10/02/2009 | Pd S 02/02/2009              | 0.00     | 48.75 Cr | 9.75    |
| 15/02/2009 | DeliveryFee                  | 0.09     | 0.95     | 10.70   |
| 15/02/2009 | Paper Account                | 0.80     | 8.80     | 19.50   |
| 22/02/2009 | DeliveryFee                  | 0.09     | 0.95     | 20.45   |
| 22/02/2009 | Paper Account                | 0.80     | 8.80     | 29.25   |
|            | PAPER ACCOUNT TO: 29/03/2009 | 4.4318   | 48.75    | 78.00   |

5 week forward  
charge amount at  
\$9.75 per week

**Sample 2  
Paper Account with 5 weeks  
forward charging**

Please Pay Account By 05/02/2010

TOTAL  
GST on Current Transactions

\$78.00

\$7.10

| 90 Days | 60 Days | 30 Days | Current |
|---------|---------|---------|---------|
| 0.00    | 0.00    | 0.00    | 78.00   |