Invoicing and Charging Module Set-up Guide

Thank you for adding the invoicing and charging module to your system. This allows you to set charges for attending a work record, and then decide who should pay that charge.

There is a great deal of flexibility in the way that charges are calculated, and the payments due split between different people. Once these payments have been allocated, they can be batched up into invoices and can then be exported into your own accounting software for billing and credit control purposes.

Overview

The charging module is designed so that it's quick and easy to use on a day-to-day basis. This does mean that setting it up is more complex. For day-to-day use, when adding a work record you will see a charge tab which lets you choose a charging policy and a payee policy for the record.

Charging policies determine how much each person attending should be charged, while payee policies determine who should pay this charge.

Both charging and payee policies can take various factors into account in their calculations. You create these policies to do what you need them to do.

Policies are made up of one or more 'rules'.

Example 1: Charging

The very simplest charging rule is a flat-rate rule. This will apply a set amount (let's say £50) to everyone listed in the attendance table of a work record. If you just charge a flat-rate all the time, that's a good place to start.

You probably don't want to charge your staff members for attending, so you could create a second rule: a role-based charge rule. This lets you specify how much to charge based on the role of the person in that work record. You could either specify fixed amounts or percentages in this rule: for example, 100% for service users and 0% for staff and others.

You can now combine these two rules in one policy, with the flat-rate rule first and the role-based rule second. When you apply this policy, Lamplight will look at each person listed on the work record. It will apply the first rule and charge them £50. It will then apply the second rule: if they are listed as a Service user charge 100% of £50 (i.e. £50); if not charge 0% of £50 (i.e. £0).

Example 2: Payee

Payee policies work in a similar way: you set up rules and add them to policies. Rules within a policy are processed in turn. Payee policies recognise that the person attending isn't always, or entirely, the person that pays for that service.

As a simple example, someone attending some training on behalf of their employer would expect their employing organisation to pay. A more complicated example is where funders have agreed to pay some or all the costs for some or all of the people attending. A Local Authority may only pay for places taken by people living in their area; a funder may only pay for places if that person has a particular characteristic. You set up payee rules that apply this logic, and the relevant payee will be charged according to the criteria.

Rules and policy meanings

You'll need to have a System Administrator role to create the policies, and these need to be set up before the module can be used by others. You can see your role in the system directly to the right of your name at the top of the screen.

Go to the System Administration menu by clicking on Admin in the main menu, and then choosing 'System Administration' in the menu bar itself. You'll see a new section in this page called 'Manage charge settings'. From this section select the option 'Set up charge module rules and policies.'

Manage charge settings

Set up charge module rules and policies

This will open the page where you can create rules and policies.

Charge module settings

Charge policies

Charge policies are made up of charge rules, and determine how much to charge people who are added to work records.

Create new charge policies

Create new charge policy

Charge rules

A charge rule can be a simple flat rule, or be based on the person or work record to decide how much to charge.

Create new charge rules

| Create new flat-rate charge rule | Create new attendance-based charge rule | Create new role-based charge rule |

| Create new attendance/role charge rule | Create new custom attendance field charge rule | Create new date-based charge rule |

| Create new list bands charge rule | Create new work record charge rule |

Payee policies

Payee policies are made up of payee rules, and determine who should pay charges. Payee rules can split charges between more than one person.

Create new payee policies

Create new payee policy

Payee rules

A payee rule will break down the amount charged to determine who should pay how much of the charge

Create new payee policy rules

| Create new attendee payee rule | Create new body-type attendee payee rule | Create new other-person payee rule |

| Create new other-person relationship payee rule |

You will need to set up rules first, and then set up policies that use those rules. Each policy must have at least one rule in it; rules can be re-used in different policies.

You should only need a small number of policies, although you may need more rules to build them. When creating rules, think about whether you can create them in such a way that they can be re-used in more than one policy.

Charge rule meanings

Flat-rate rule

A flat-rate rule will charge everyone the same amount, as specified in the rule.

Attendance-based rule

An attendance-based rule will vary the charge based on the attendance type selected in the work record (Attended, Did not attend, Cancelled etc). You can specify fixed amounts to charge each person depending on their attendance, or percentages of one amount.

Role-based rule

A role-based rule will vary the charge based on the role type selected in the work record (service user, staff etc). As with the attendance-based rule, you can specify fixed amounts or percentages.

Attendance role-based rule

Attendance-role based rules are a combination of the two above; amounts or percentages are based on both attendance *and* role type. In many cases this will be preferable to using either of the two above.

Date-based rule

A date-based charge rule will calculate an amount based on the date someone booked on the work record, or the date of the most recent update. This can optionally also use attendance type and role. Date-based rules let you create 'early-bird discount' type rules, or 'late cancellation penalty' type rules.

Group-bands rule

A group-bands charge rule checks if a person is a member of a particular Lamplight group (these may be called lists in your system) and if so applies the rate specified. You can create charge bands based different groups. For example, you could create a rule that charges based on the turnover of the organisation, or an 'unwaged rate' type rule. You will need to set up the groups you want to use first.

Work record charge rule

A work record rule calculates charges based on the work record: area of work, locations, and staff. Different rates can be set for each area of work and sub area of work. Staff costs can be fixed amounts, amounts per hour, or use wage or charge-out rates from the staff member's contract details (if the staff management module is enabled). Lamplight will check for those listed as staff attending on the work record and calculate rates accordingly. Location rates can use the hourly internal rate or hourly charge-out rate for the locations used. These calculations are cumulative: if you select them all in the rule, the amount charged will be the area of work amount, plus any sub area of work amounts, plus the rates for all staff attending, plus the rates for all locations used.

Setting up charge rules

Almost all charge rules have two fields in common:

Rule name

The rule name is what you'll see when compiling rules into policies. Please remember that one rule can be re-used in several different policies, so it'll be easier if the name describes what it does rather than how you're initially intending to use it. So 'flat 80' to describe a flat-rate charge rule that charges £80 is better than 'training standard rate'.

Should previous rules apply if there is no match using this rule?

This is easiest to understand through an example. Imagine you have set up two rules: a flat-rate charge rule (for £50) and a role-based charge rule that says, 'service users pay 100%'. We set up a policy that uses these two rules; the flat-rate rule first, then the role-based rule.

Now when we come to use the policy, Lamplight will look at each person listed. First it will set the charge to £50. Then it will check their role. If it is 'service user', then the final charge will be 100% of £50. If it is something else, say a staff member, what should Lamplight do? We've only set our rule to deal with service users.

If the 'should previous rules apply' box was ticked, then if the second rule did not match (because it was a member of staff), the previous (flat-rate) rule

would still apply, and they'd be charged £50. If the box was not ticked, they would be charged £0.

In this example, we probably do not want to charge staff for attending, so will either leave the box unticked, or explicitly set the rates to zero (or whatever) in the role-based rule. But even if you do this, you'll need to update the rule if you ever add a new 'role' to the list.

In general, it's likely that for attendance and role-based rules you will not want previous rules to apply. For other types of rule, it's more likely that you will want previous rules to apply.

Note that this does not apply to flat-rate rules: there is no conditionality in flat-rate rules, so there is no possibility that there will not be a match. In other words, previous rules can never apply to flat-rate rules. Therefore, if you are using a flat-rate rule as part of your policy, you need to put it first so that other conditions can be applied to in in subsequent rules.

Amount to charge

All charge rules have a rate box, and some have a marker to determine if this £ or % of. Type in the amount as required.

Attendance type	Service user		Volunteer		O
Attended	100	£ ▼	50	£ ▼	☐
Booked		£ ▼		£ ▼	☐
Cancelled	25	£ ▼		£ ▼	☐

In this example, for each attendance type you can set an amount or a percentage. If you set an amount (e.g. £50) then they will be charged that amount: this is not cumulative from previous rules. If you set a percentage (e.g. 75%), this will use an amount from a previous rule. If you use percentages, you probably don't want to use the rule first in the policy. You could do, but it will come out as 0 (as any % of 0 is 0).

Creating a charge policy

To set up a charge policy, go to admin > system administration > set up charge module rules and policies. Click the 'create new charge policy' button. Please note, you need to have created at least one charge rule before you can create any policies.

New create a new charge policy

Policy name

Rules to use in this policy

Currently selected items

Available items

Hourly Support

Service User Pays

£5 Flat Rate

save

You need to give the policy a name - this is what you will see day-to-day in the pick-list on your work records, so it needs to be clear from the name which policy should be used (if you're going to have more than one policy, that is).

The section on the right of the screen shows all the charge rules you have created, and in the centre a space to add the rules you need. To add a rule to the policy, simply click and hold the mouse button on the rule, drag it to the centre, and release the mouse button. The rule will appear in the central frame. You can add more rules before or after in the same way and can remove them by dragging them from the central list to the right-hand side.

The order of the rules is important. Rules will be applied in the order that they are listed.

When you have finished, click the 'save' button in the bottom-right hand corner and you will return to the charge module menu. Your new charge policy will be listed and is now available to use in work records.

Payee rule meanings

Attendee payee rule

An attendee payee rule charges the person who is attending the session a fixed amount or percentage of the total charge.

Body-type payee rule

A body-type payee rule charges based on the type of person attending. These rules can be used to charge the organisation attending, rather than the individual.

Other-person payee rule

An other-person payee rule assigns some or all the charge to a specified person/organisation. You can choose criteria to decide who this person/organisation should pay for based on attendance type, role, and group membership. These rules are how you assign charges to funders, Local Authorities etc. If you are specifying who will be paid for based on group membership (this may be called lists in your system) you will need to set the group up first.

Other-person relationship payee rule

An other-person relationship payee rule assigns some or all of the charge to a completely different person/organisation based on a relationship link in their profile, and their attendance type and role in the work record.

Setting up payee rules

From the 'Payee Rules' section in the 'set up charge module rules and policies', choose from the type of payee rule(s) you wish to create.

Each new rule will need a name which is clear so that it can be identified later for use in policies.

➤ Attendee payee rule example

An 'attendee payee rule' is relatively simple as it is just the person or organisation listed on the work record who pays. All you need to do is specify the amount: this can be a percentage or a fixed amount (in £s).

New charge the attendee payee policy rule

Rule name	
Rate	£ ▼

Please note, if you specify a percentage, this will be a percentage of the remaining amount to be paid. As a simple example, you might set up a rule that has a rate of 100%, and then create a payee policy containing just this rule. This will mean that the person attending will pay the full amount as calculated by the charge policy used.

However, if you have a payee policy with a first rule that allocates 25% to another organisation (a funder, for example), and then the 'attendee pays 100%' rule, the attendee will be charged 100% of the outstanding amount - that is, 75% of the total amount - as 25% has already been charged to the funder. In other words, you can't create payments due for more than the total amount charged.

It is possible, however, to create policies that do not allocate the full charge. A policy which has a single attendee payee rule of 50% will result in only 50% of the charges calculated being allocated. To avoid this, you might want to create an 'attendee pays 100%' rule that is added as the last rule in all policies, to ensure that any 'underbilling' is allocated to the person attending.

➤ Other person payee rule example

This rule type is created by adding one or more 'bands'. Each band is set up by entering details in a row of the table.

New payee policy: charge attendance to other people

Rule name

Set payees and rates

Person to charge	Rate	Attendance type	Role	What should percentages be of?	Only charge if attendee is a member of group...	Which attendees to try and match to the group	Continue to subsequent payees if this one matches?	delete	add
								✗ delete	add row

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1. Person to charge: this will be whoever is going to pay whatever amount is due. This field is required. Click on the cell to get the text box, then start typing the name of the person or organisation. Lamplight will search as you type - click on the name when it appears in the drop-down list.
2. Rate: either a percentage (e.g. 35%) or a fixed amount (e.g. 23). This field is required.
3. Attendance type: selecting any attendance types will mean that the specified person or organisation will only be charged if the person listed on the work record matches one of the attendance types. For example, you may not want to charge a funder for a place if the person did not attend the work record. If you leave this cell blank the charge will be passed on regardless of attendance type.
4. Role: selecting any roles will mean that the specified person or organisation will only be charged if the person listed on the work record matches one of the selected roles. If you leave this blank, no filter will be applied, and the charge will apply regardless of their role.
5. Only charge if attendee is member of group: using this will enable you, to allocate payments for specific set of people, for example this could be on a geographical basis (e.g. Westminster Council only pays for attendees living in Westminster). You will first need to set up your group (it may be called a list in your system), then you can click to select it from the drop-down box.
6. Which attendees to try and match to this group: when using linked profiles on the work record (e.g. Matt Parker, Lamplight Database Systems), you can choose whether to match the first listed profile, second listed, or either. You may need to use this if (continuing the example) Westminster Council have agreed to pay for places where the organisation represented (i.e. Lamplight Database Systems) is based in Westminster, regardless of where the individual lives.
7. Continue to subsequent payees if this one matches?: You can add rows to this table: you might have one for Westminster, and another for Brent, for example. In this case Lamplight will not need to check to allocate payments to Brent Council if there's already been a match with Westminster. But if you have different criteria for different funders, you will want to select 'yes'.

If you want to add several (potential) payees in a single rule, you can click 'add row' to add a subsequent payee. The order is important again: Lamplight will check and allocate amounts in the order of the table, and if you choose 'no' to

continue to subsequent payees, it will stop processing the rule as soon as it finds a match.

Alternatively, you could create a series of separate rules, each with a single payee (row in the table). You can then combine them in different combinations in several policies.

When you are finished, click 'save' in the bottom-right hand corner. You will return to the charge module admin screen and will be able to see the rules listed.

Creating a payee policy

Still in the 'set up charge module rules and policies' page, click to 'create new payee policy'. This policy will look at the total charge calculated by the charge policy and apportion it between one or more people or organisations as determined by the payee rules it contains.

New create a new payee policy

Policy name

Rules to use in this policy   ☐ Organisation Pays ☐ Agency pays ☐ Attendee SU pays ☐ Attendee Pays

You need to give the policy a name - this is what you will see day-to-day in the drop-down pick list on your work records, so it needs to be clear.

You can then select the payee rules you wish to use to make up the policy.

When you have finished, click the 'save' button in the bottom-right hand corner and you will return to the charge module menu. Your new payee policy will be listed and is now available to use in work records.