Fee Linking Explained - Applying Payments to Fees

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Watch a (2:11) video tutorial on Fee Linking Explained

When a payment is recorded in your Jackrabbit database, it is linked (applied) to an unpaid fee in the family's account. When the two transactions are linked, the payment transaction takes on the Category 1 of the linked fee for the purposes of revenue reporting.

Payments that are not linked to a fee are referred to as Unapplied Credits. These amounts are reported on revenue reports as Unapplied Payments and are not put into any revenue category.

⭐ Whenever you enter a fee in Jackrabbit, a Category 1 value is assigned to it. Jackrabbit uses Category 1 as a means of organizing your revenue. This is explained in detail in the Help article **Class Categories - Category 1, 2, and 3**.

⭐ Think of Category 1s as buckets that payments are dropped into depending on what fee the payment is being applied (linked) to. When a payment is made, you'll decide what fee the payment is for and apply it to that fee; this is called **linking**.

When you link a payment to a fee, it's as if you've dropped the payment into that fee's Category 1 bucket.

⭐ Using Category 1, reports can be created that display how you've organized all the payments you've received. Payments received are considered revenue in Jackrabbit. This method of accounting is known as **cash accounting**.

Fee Linking with Category 1

Jackrabbit uses Category 1to organize your revenue (payments). You will assign a Category 1 value to every fee posted. When a payment is made, you'll decide what fee the payment is for and apply it to that fee. If Jackrabbit doesn't see a Category 1 assigned to the fee, the payment is organized as *Unapplied* or *Uncategorized.*
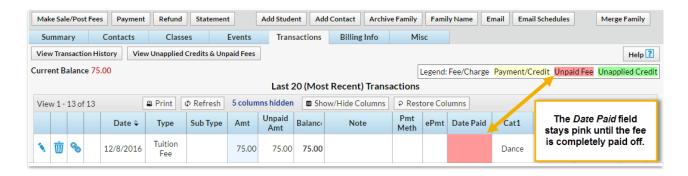

As a Jackrabbit Best Practice, require that a Category 1 be assigned to every fee that is posted in Jackrabbit. To ensure this is followed, point to *Tools* and click **Edit Settings**. Scroll
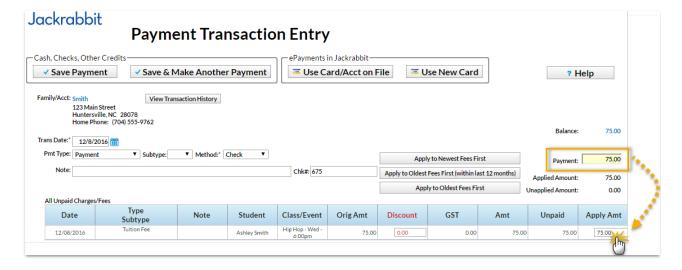
When a fee is posted to a family's account, it remains unlinked until a payment has been received and is linked to it, i.e., the linking is done from the payment not from the fee. An unpaid fee is easily recognizable by the pink *Date Paid* field. This field will remain pink until the fee is completely paid.

Linking Example 1

In the screenshot below, a tuition fee of $75.00 has been posted to the Smith family account, but the fee has not been paid. The family still owes the fee. The fee is listed in white, and the *Date Paid* field is pink.

The family pays the fee of $75 in full and the payment is entered into Jackrabbit. To apply (link) the payment to the tuition enter the amount in the **Payment** field and click in the **Apply Amt** column next to the fee. This tells Jackrabbit to 'link' this payment to that fee.

The family's list of *Transactions* still shows a fee (in white), but the *Date Paid* field

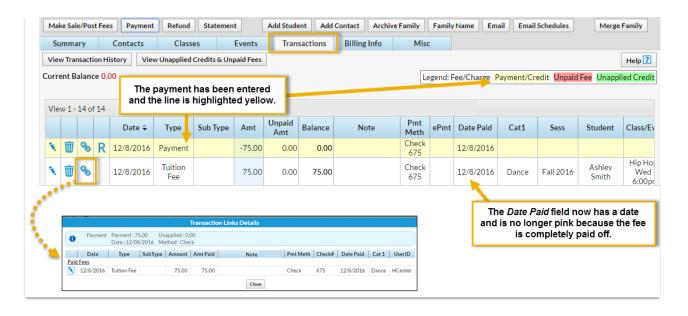now contains a date and is no longer pink. Other details about the payment have also been added to the fee line (Payment Method, Check #, Notes, etc.) A payment line has been added (in yellow) and the fee and payment are linked. To see what payments are linked to fees click the **Link** icon on any yellow payment line. Click the **Pencil** icon to edit the linked fee(s) for the payment.
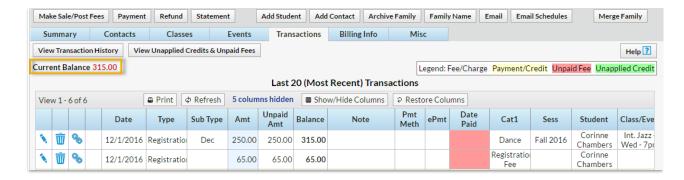
Even though it is not visible on the payment line, a linked payment takes on the fee's Category 1, Session, Student, etc. For example a $100 payment that paid a $25 registration fee and a $75 tuition fee will take on both Category 1s and the revenue will be reported as $25 in registration fees and $75 in tuition fees.
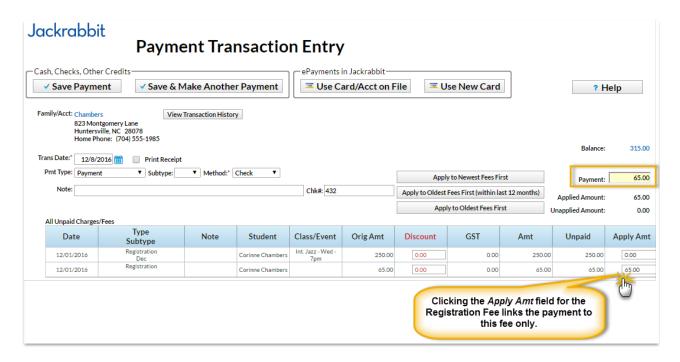

Linking Example 2

In this example, the Chambers family owes a registration fee of $65 and a tuition fee of $250. No payments have been made and the family's *Current Balance* is $315.00.

A payment is received only for the registration fee of $65. To record the payment enter $65.00 in the **Pmt Amount** field and click the **Apply Amt** field next to the registration fee to tell Jackrabbit to link the payment to that fee.

Jackrabbit leaves the tuition fee of $250 unpaid and applies (links) the $65 payment to the registration fee only.