Osprey Approach: The Interest Calculator

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The interest calculator is a tool designed to enable you to track interest due on monies held in client's accounts.

> Before the Interest Calculator can work a Supervisor level user must set up the Interest Rates and Bands in the Supervisor area of Osprey.

Set up your interest rates, bands and accrual periods

Navigate to the Supervisor area and select Financial Setup. Then click on Interest Rates/Bands. Now choose to Add Band.
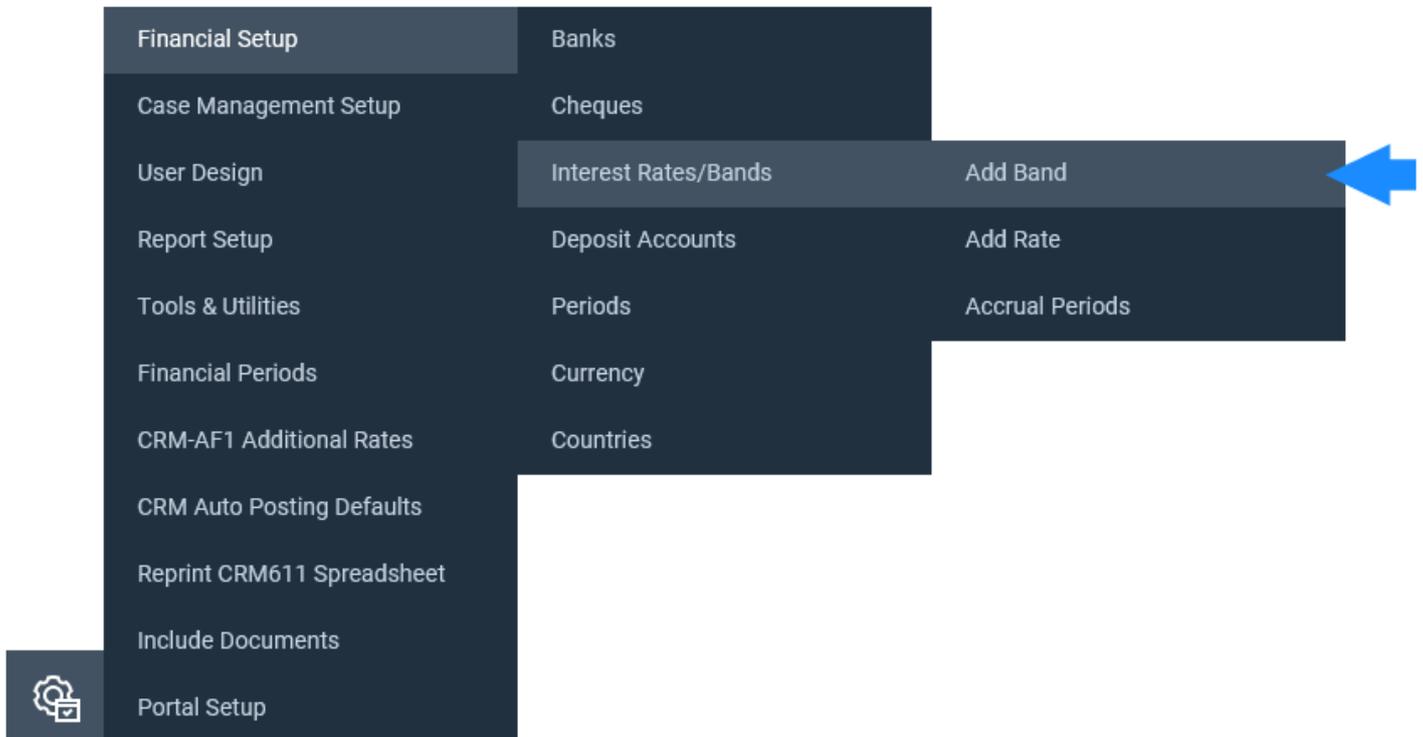
Enter the information according to the details received from your bank including a lower and an upper bound, and then click Save.

For example, if you have a table which looks like the below, you would need to add 3 bands:

Interest rates effective from 15 May 2020

Min	Max	AER %
£0.01	£9,999.99	0.01
£10,000	£49,999.99	0.03
£50,000+		0.05

Band A - lower bound £0.00, upper bound £9,999.99

Band B - lower bound £10,000, upper bound 49,999.99

Band C - lower bound £50,000, upper bound (make this the largest balance you think a client is ever likely to hold in their account)

We can now select Add Rates.

Enter the start date and interest rate, then select the band it applies to by ticking in the relevant box. You can add as many different rates and start dates to a band as your bank have supplied you with. Osprey will calculate interest on each ledger transaction based on the rate at the time of the posting date.

[Save] [⊗ Cancel]

Start Date: [⌄]

Interest Rate: [   ]

☐	BANDWIDTH LETTER	LOWER BOUND	UPPER BOUND
☐	A	0.0000	10000000.0000

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Click Save to keep your changes.

E.g. In the example below, we would add 3 different interest rates:

Interest rates effective from 15 May 2020

Min	Max	AER %
£0.01	£9,999.99	0.01
£10,000	£49,999.99	0.03
£50,000+		0.05

Start Date: 15/05/2020, Interest Rate: 0.01, tick band A and Save

Start Date: 15/05/2020, Interest Rate: 0.03, tick band B and Save

Start Date: 15/05/2020, Interest Rate: 0.05, tick band C and Save

Now, you will need to add an accrual period. Accrual periods are used by the system to decide **when** to calculate the interest, and are stored as a number of months. Navigate to Supervisor > Financial Setup > Interest Rates/Bands/Accrual Periods and click New:

Supervisor > Financial Setup > Interest Rates/Bands > Accrual Periods

⊕ New   ↱ Export   ↺

- Bank interest is paid monthly - enter the start date (if this is the first accrual period you are adding, enter your earliest interest rate start date, otherwise enter the date when this changed), and 1 in the Accrue Period box.
- Bank interest is paid quarterly - enter the start date (if this is the first accrual period you are adding, enter your earliest interest rate start date, otherwise enter the date when this changed), and 3 in the Accrue Period box.
- Bank interest is paid annually - enter the start date (if this is the first accrual period you are adding, enter your earliest interest rate start date, otherwise enter the date when this changed), and 12 in the Accrue Period box.

Supervisor > Financial Setup > Interest Rates/Bands > Accrual Periods

🖫 Save   🗑 Delete   ⊗ Cancel

Currency: GBP

Start Date: 01/04/1992

Accrue Period: 2

Click Save when you are done.

Calculate interest on a single matter

Navigate to Client Ledgers and select the Interest Calculator.

The postings are listed down the page.

You need to tick the tick box under the Range heading to select a posting for calculation.

You will also have to select a posting that details the amount on which interest is to be calculated. You have to select the end date for the calculation, interest being calculated on the period from today's date to then.

The option for Delay allows you delay certain postings from being calculated for however many days you enter in, this will then delay it that amount of days from the date that is shown at the begging of each entry.

Add the rate at which tax is to be paid on this interest, then click the 'Calculate Interest' button.

INTEREST CALCULATOR ∨

| ✓ Set selection range | 📋 Calculate Interest |

The below screen will now appear.

INTEREST CALCULATOR ∨

✓ Set selection range | 🖨 Printer-friendly screen

|	HELD FROM	DAYS HELD	AMOUNT HELD	INTEREST RATE	INTEREST	ACCRUING INTEREST	TOTAL INTEREST
	11/11/2008	20	10,250.00	2.00	11.20	11.20	11.20
Accrual	01/12/2008	61	10,261.20	2.00	34.20	34.20	45.40
	31/01/2009	1	10,088.70	2.00	0.55	34.75	45.95
Accrual	01/02/2009	38	10,123.45	2.00	21.07	21.07	67.02
	11/03/2009	21	9,705.95	2.00	11.16	32.23	78.18

| Tax Calculated at 20%: | 220.56 |

This page will display relevant information in columns and rows. There is a box at the bottom of the table that displays the total amount of tax payable. You can then make a note of the Total Interest to separately post to the Client Ledger at a later point.

If you click the Printer-Friendly Screen option, a new window will open allowing you to print a copy of the results in an easily readable format. Remember to close this window after printing.

Calculate Interest for all matters

There is also a report available to show the interest due on all matters. Under the Reports tab, navigate to Financial Management and then select Batch Interest Calculation.
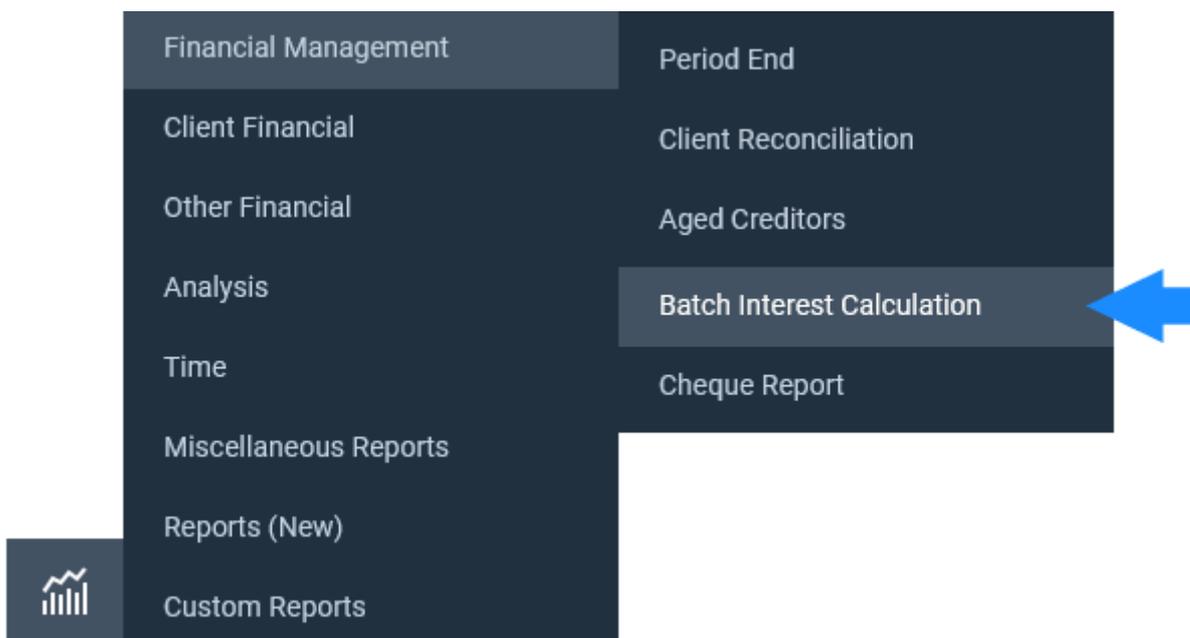
Financial Management	Period End
Client Financial	Client Reconciliation
Other Financial	Aged Creditors
Analysis	Batch Interest Calculation
Time	Cheque Report
Miscellaneous Reports	
Reports (New)	
Custom Reports	

This report allows you to calculate interest due to all clients according to the filters you have specified. It does not post the interest on the accounts, but just lists the interest due for each transaction on each client's ledger (along with a total due at the end). You will need to post the interest separately.

You have several filter options on this report:

Work Type - Tick this box if you want to show only one or a selection of work types. Once the box is ticked all work types marked as In Use will appear. You can then tick each one that you want to report on. If you want to see all work types, do not tick the work types box and it will produce all work types.

Fee Earner - Choose the fee earner whose clients you want to calculate interest for.

Limit - Enter the minimum interest amount to calculate. For example if £10 is entered here, only matters where the interest held is greater than £10 will be shown.

Currency - select the currency you wish to report on.

Date Filters - Enter the start and end dates that you wish to calculate interest for.

Once filtered, select Run to open your report. You can export these results to Excel or a PDF should you wish to.

Practice Name:	Customer Demo		From :	01/07/2018	To :	01/07/2019		Date Report Run:	15/07/2019
From		Detail	Days Held	Balance Held	Interest Rate	Interest	Interest Held		
Client A00001	1	Adams							
01/07/2018			31	965.70	2.00	1.64	1.64		
01/08/2018		Accrual	0	967.34	2.00	0.00	1.64		
01/08/2018			61	967.34	2.00	3.23	4.87		
01/10/2018		Accrual	0	970.57	2.00	0.00	4.87		
01/10/2018			61	970.57	2.00	3.24	8.11		
01/12/2018		Accrual	0	973.81	2.00	0.00	8.11		
01/12/2018			62	973.81	2.00	3.30	11.42		
01/02/2019		Accrual	0	977.12	2.00	0.00	11.42		
01/02/2019			59	977.12	2.00	3.16	14.57		
01/04/2019		Accrual	0	980.27	2.00	0.00	14.57		
01/04/2019			61	980.27	2.00	3.28	17.85		
01/06/2019		Accrual	0	983.55	2.00	0.00	17.85		
01/06/2019			30	983.55	2.00	1.61	19.46		
01/07/2019			0	985.16	0.00	0.00	19.46		
Totals						19.46	155.85		