

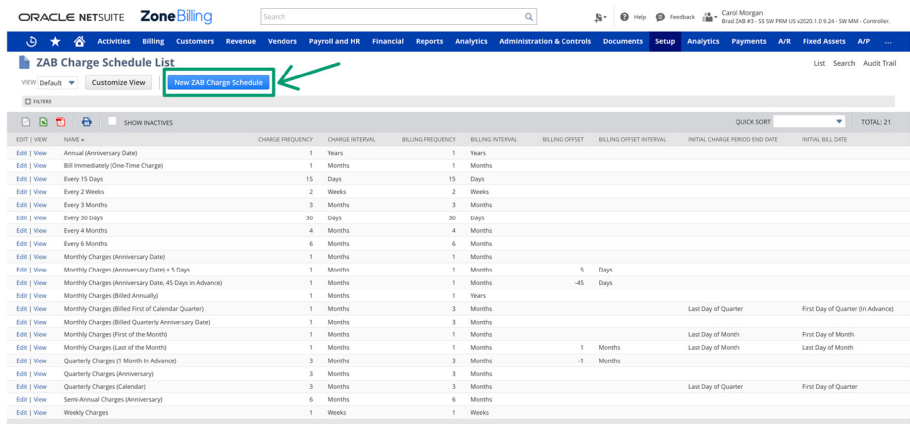
# Fixed Recurring

Fixed Recurring is by far the most common billing model for modern-day businesses. Fixed Recurring billing is repeatable, reportable, and with the right systems, scalable. By definition, Fixed Recurring billing means a fixed and agreed upon amount billed on a recurring basis, no matter what type of product or service you may be selling. Licenses, subscriptions, memberships, programs, rentals, services, and products can all be billed on a Fixed Recurring model. In order to be successful at scaling a Fixed Recurring billing model you need to have a flexible billing system capable of handling the intricacies of this model. The following are specific features and functions of ZoneBilling that help scale your Fixed Recurring model.

## Scheduling Flexibility

You want to provide your customers with options. Sales needs to have the flexibility to negotiate the billing terms that best fit their customers' needs. One customer may request more frequent invoices and another may prefer more upfront for a discount. Your billing system should not be the limiting factor in negotiating these terms with your customer. The following are very common billing schedules (we call them Charge Schedules) that can be managed by ZoneBilling:

- ✔ Daily
- ✔ Weekly
- ✔ Monthly
- ✔ Quarterly
- ✔ Semi-Annually
- ✔ Annually
- ✔ Every 45 Days
- ✔ Bi-Weekly
- ✔ Quarterly on a Calendar Quarter
- ✔ Every other Month
- ✔ Monthly 45 Days in Arrears
- ✔ Limitless more combinations...



| EDIT   VIEW | NAME   | CHARGE FREQUENCY | CHARGE INTERVAL | BILLING FREQUENCY | BILLING INTERVAL | BILLING OFFSET | BILLING OFFSET INTERVAL | INITIAL CHARGE PERIOD END DATE | INITIAL BILL DATE                 |
|-------------|--|------------------|-----------------|-------------------|------------------|----------------|-------------------------|--------------------------------|-----------------------------------|
| EDIT   VIEW | Annual (Anniversary Date)                              | 1                | Years           | 1                 | Years            |                |                         |                                |                                   |
| EDIT   VIEW | Bill Immediately (One-Time Charge)                     | 1                | Months          | 1                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Every 15 Days  | 15               | Days            | 15                | Days             |                |                         |                                |                                   |
| EDIT   VIEW | Every 2 Weeks  | 2                | Weeks           | 2                 | Weeks            |                |                         |                                |                                   |
| EDIT   VIEW | Every 3 Months   | 3                | Months          | 3                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Every 30 Days  | 30               | Days            | 30                | Days             |                |                         |                                |                                   |
| EDIT   VIEW | Every 4 Months   | 4                | Months          | 4                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Every 6 Months   | 6                | Months          | 6                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Monthly Charges (Anniversary Date)                     | 1                | Months          | 1                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Monthly Charges (Anniversary Date + 5 Days)            | 1                | Months          | 1                 | Months           | 5              | Days                    |                                |                                   |
| EDIT   VIEW | Monthly Charges (Anniversary Date, 45 Days in Advance) | 1                | Months          | 1                 | Months           | -45            | Days                    |                                |                                   |
| EDIT   VIEW | Monthly Charges (Billed Annually)                      | 1                | Months          | 1                 | Years            |                |                         |                                |                                   |
| EDIT   VIEW | Monthly Charges (Billed First of Calendar Quarter)     | 1                | Months          | 3                 | Months           |                |                         | Last Day of Quarter            | First Day of Quarter (In Advance) |
| EDIT   VIEW | Monthly Charges (Billed Quarterly Anniversary Date)    | 1                | Months          | 3                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Monthly Charges (First of the Month)                   | 1                | Months          | 1                 | Months           |                |                         | Last Day of Month              | First Day of Month                |
| EDIT   VIEW | Monthly Charges (Last of the Month)                    | 1                | Months          | 1                 | Months           | 1              | Months                  | Last Day of Month              | Last Day of Month                 |
| EDIT   VIEW | Quarterly Charges (1 Month In Advance)                 | 3                | Months          | 3                 | Months           | -1             | Months                  |                                |                                   |
| EDIT   VIEW | Quarterly Charges (Anniversary)                        | 3                | Months          | 3                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Quarterly Charges (Calendar)                           | 3                | Months          | 3                 | Months           |                |                         |                                |                                   |
| EDIT   VIEW | Semi-Annual Charges (Anniversary)                      | 6                | Months          | 6                 | Months           |                |                         | Last Day of Quarter            | First Day of Quarter              |
| EDIT   VIEW | Weekly Charges   | 1                | Weeks           | 1                 | Weeks            |                |                         |                                |                                   |

However, the list of fixed recurring billing schedules doesn't end here. More frequently, we are seeing the need to accommodate non-traditional recurring models. ZoneBilling allows you the flexibility to define custom schedules to suit your needs. Examples of custom schedules can include:

## Timing

Great, so you can bill on a recurring basis. But when does that invoice actually get generated? And when should the next one get generated? With ZoneBilling you have the flexibility to determine these options for every single contract.

### ✔ Anniversary Billing

This type of billing schedule means that you bill on the anniversary date of the contract. If a Customer's contract term starts on Feb 17th with a monthly billing schedule, they should expect to receive that invoice on the 17th of every month. Same for quarterly, annually, or any other cadence. The 17th is the magic day of the month they should receive their invoice.

### ✔ First of the Month/Last of the Month

Maybe you'd like to align all of your customers to be billed on the same day every month in one big batch. The two most common days are either on the First Day of every month or the Last Day of every month. With ZoneBilling you have the ability to do this. Regardless of the start date of your contract, we can automatically align their billing to the first or last of every month and prorate partial periods (more on that later).

### ✔ Specific Day of the Month

You can also assign a specific day for billing if it doesn't fall on either their anniversary date or the first/last of the month. For example, you can define the 15th of every month to be their billing day.

## Prorated Periods

| EDIT | STATUS          | CHARGE ITEM                | DESCRIPTION                | SERVICE START * | SERVICE END | QUANTITY | TERM MULTIPLIER | TERM   | TERM RATE | LIST RATE    | DISCOUNT | RATE         | AMOUNT       | FORECAST | TRANSACTION | CHARGE TYPE |
|------|-----------------|----------------------------|----------------------------|-----------------|-------------|----------|-----------------|--------|-----------|--------------|----------|--------------|--------------|----------|-------------|-------------|
| Edit | Pending Billing | 3rd Party Software License | 3rd Party Software License | 4/15/2020       | 4/30/2020   | 1        | 0.53333333      | Months | 199       | 106.13333267 | 0        | 106.13333267 | 106.13333267 | 106.13   |             | Fixed       |

ZoneBilling also provides automatic calculation of prorated periods. Whether the prorated period spans days, weeks, or months, ZoneBilling will calculate the pricing and display it clearly on an invoice defining the prorated period. For example, if a customer signs up on Feb 17th and we want to get them on a First of the Month cadence, we can prorate their billing from Feb 17th–Feb 28th. You have the option to bill them the prorated amount on Feb 17th or hold that charge and bill it on March 1st. The options are up to you.

## Service Dates vs Bill Dates

This one may seem like a small detail, but the significance of tracking these separate dates and displaying them on the invoice could be the difference between a quick payment or a delayed one. ZoneBilling helps you clearly define and present Service Start/End Dates vs Billing Dates. The Service Dates typically represent the period of time that a service was provided. The Bill Date is simply the date the invoice was generated. With ZoneBilling you can invoice for any combination of service dates all on the same invoice, and clearly display it to your customer. For example, you could have an invoice that has a Bill Date of 2/1 that includes charges for Product A for the Service Period of 1/1-1/31 (in arrears) as well as charges for Product B for Service Periods of 2/1-2/28 (in advance).

INVOICE

# PARENT

# ZoneBilling

INVOICE NUMBER: INV381 | DATE: 2/1/2021 | PO NUMBER: 1234567

**BILL TO:**  
.ALPHABET  
1234 MAIN STREET  
NEW YORK, NY 10001

**DUE DATE:**  
3/3/2021  
**PAYMENT TERMS:**  
NET 30

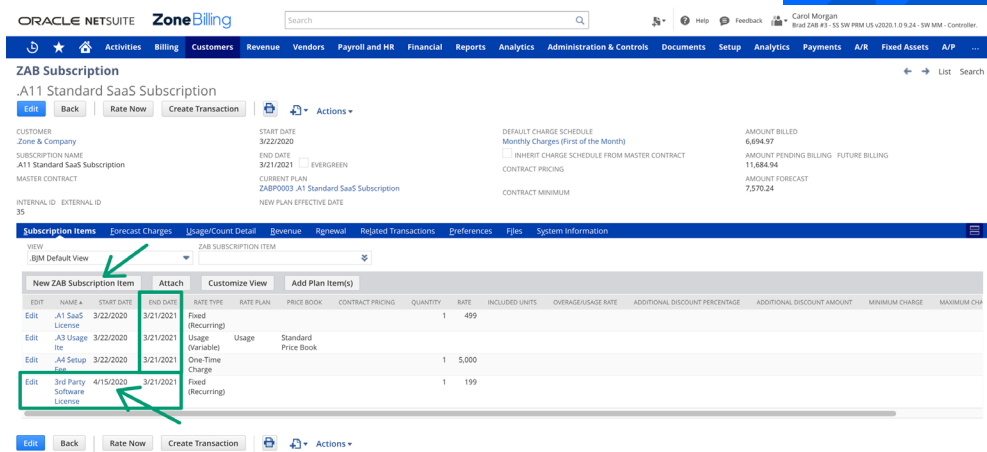
**AMOUNT PAID:**  
\$0.00  
**AMOUNT REMAINING:**  
\$1,072.95

| ITEM                    | DESCRIPTION | SERVICE START DATE | SERVICE END DATE | QTY    | RATE     | AMOUNT   |
|-------------------------|-------------|--------------------|------------------|--------|----------|----------|
| .A1 SaaS License A      |             | 2/1/2021           | 2/28/2021        | 1      | \$200.00 | \$200.00 |
| .V18 Emails Overage Fee |             | 1/1/2021           | 1/31/2021        | 17,459 | \$0.05   | \$872.95 |

**PAYMENT METHOD:**  
CHECK: MAIL TO: PARENT  
,, CA

**SUBTOTAL:** \$1,072.95  
**TAX:** \$0.00  
**DISCOUNT:** -

**GRAND TOTAL:** \$1,072.95



Fixed Recurring billing implies an ongoing relationship with your customer. Hopefully, this also means an expansion of the products and services you offer them over time. When a customer wants to buy more products, users, licenses, services, etc., this usually means an amendment to their contract. ZoneBilling can automatically amend the existing contract by adding an additional product and automatically co-term and prorate that product. The additional Upsell item will automatically be included and billed in cadence with the existing items on the contract, and everything will collectively be up for renewal at the contract term end date.

## Downsells

Returns and downsells are a normal part of any recurring business model. Downsells tend to be an overlooked and tedious process to manage, especially if this results in a credit or refund back to the customer. ZoneBilling can automatically calculate prorated downsell periods, and, if necessary, generate Credit Memos to the customer for any returns.

## Termed or Evergreen

### ✔ Termed:

Contracts that are termed have a defined start and end date. With ZoneBilling you can define a start and end date on your contract. The period of time between these dates is entirely flexible for as little as 1 day to as many as 10 years (or more). Based on Start and End Dates, ZoneBilling will automatically calculate and forecast billing over the entire contract period.

### ✔ Evergreen (also called “Month-to-Month”):

Evergreen means that the customer has not agreed to a term end date. Unless notified of cancellation, the customer will be invoiced in perpetuity. ZoneBilling can automatically schedule this rolling forecast of perpetual billing.

## Revenue Recognition

ASC606 and IFRS15 accounting standards require the proper deferral and scheduling of revenue recognition for fixed recurring billing models. Typically, for Fixed Recurring billing models this means taking the Total Contract Value and spreading it evenly—or by exact days—over the contract duration. ZoneBilling works seamlessly with NetSuite Revenue Management or Advanced Revenue Management (ARM) modules to schedule, maintain, update, and post compliant revenue journal entries.

Fixed Recurring may sound simple, but as you can see, there are a lot of things to consider when planning for a Fixed Recurring billing model. Our team of former controllers, CFOs, and system admins has meticulously thought through each and every possible way to offer a Fixed Recurring billing model and we've built out a tool with ZoneBilling to help companies scale their business and add efficiencies to the Order to Cash process. For more information, please contact sales at [sales@zoneandco.com](mailto:sales@zoneandco.com).

**Go from billing all over the place  
to billing in one place.**

ADDRESS: 800 Boylston St, 16th Floor, Boston, Massachusetts 02199  
PHONE: (617) 307-7068 | WEB: [www.zoneandco.com](http://www.zoneandco.com)