

# Fee Linking Explained - Applying Payments to Fees

## What is Fee Linking and Why Does it Matter?

The process of linking payments and credits to fees is the foundation of Jackrabbit's revenue reporting.

### What does this mean?

Let's break it down:

- Jackrabbit uses **Category 1** to organize your revenue (payments). Think of Category 1 as buckets that payments are dropped into for classification. Learn more about [Class Categories - Category 1, 2, and 3](#).
- The Category 1 value is assigned to, i.e., lives on, the fee transaction.
- 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, and the payment takes on that Category 1 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.

### Why does it matter?

Ensuring that all payments and credits are applied to fees, with the exception of prepayments, keeps your revenue reports and customer statements accurate and dependable.

Benefits of accurate revenue reports:

- ★ Forecast future income with confidence using your revenue reports.
- ★ Analyze revenue reports to show the growth of your business.
- ★ Collect unpaid fees with ease when your families can easily see which fees are unpaid through the Parent Portal.

### What is next?

Now that you understand what fee linking is and why **it's so important**, you'll need to know how to link a payment to a fee and how to find and fix unlinked transactions.

Learn more about:

- [How a payment is linked to a fee](#)

## ▶\* How to locate and correct unlinked transactions

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