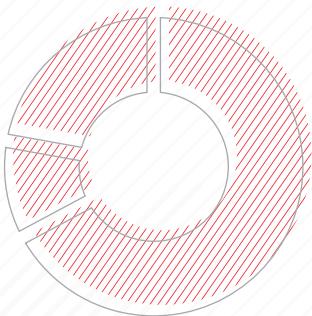
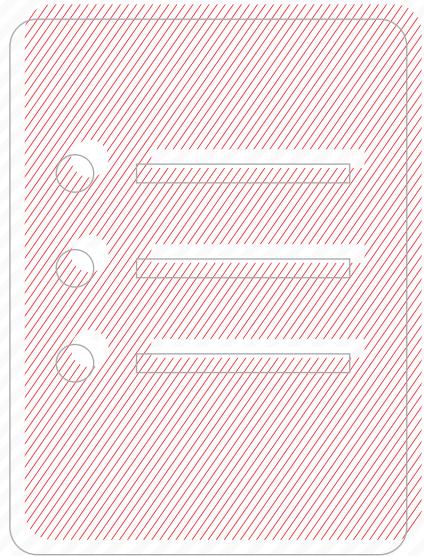


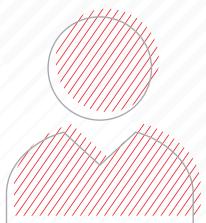
# Creating and Managing Client Bills



Morningstar Office<sup>SM</sup> Cloud



MORNINGSTAR Office



---

Copyright © 2021 Morningstar, Inc. All rights reserved.

The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; (3) is not warranted to be accurate, complete or timely; and (4) does not constitute advice of any kind. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Any statements that are nonfactual in nature constitute opinions only, are subject to change without notice, and may not be consistent across Morningstar. Past performance is no guarantee of future results.

# Contents

<b>Creating and Managing Client Bills .....</b>	<b>5</b>
Overview .....	5
<b>Creating Management Fees .....</b>	<b>6</b>
Overview .....	6
What is a management fee? .....	6
How do I create a billing disclosure? .....	7
How do I create a security type fee? .....	13
How do I create a flat dollar amount fee? .....	16
How do I create a performance fee? .....	19
How do I copy a management fee? .....	22
<b>Assigning Management Fees .....</b>	<b>24</b>
Overview .....	24
How do I apply a fee calculation methodology? .....	24
How do I assign a management fee to clients and accounts? .....	26
How can I assign a single account fee to multiple accounts? .....	28
How do I assign management fees as an administrator? .....	29
How can I assign a management fee at the practice level? .....	30
How are management fees paid? .....	31
How do I apply a discount to a client or account? .....	32
<b>Calculating Management Fees .....</b>	<b>33</b>
Overview .....	33
How do I calculate billing fees? .....	33
How can I calculate fees for new accounts in advance immediately? .....	34
How do I view historical management fees? .....	36
How can I export billing data to Microsoft Excel? .....	37
How can I include or exclude multiple accounts from the billing calculations? .....	38
How can I learn if an account is excluded from client aggregation? .....	39
<b>Generating Billing Reports .....</b>	<b>40</b>
Overview .....	40
How do I generate a Client Billing Summary Report? .....	40
How do I create a Custodian Fee Report? .....	42
How do I create the Insufficient Cash Accounts report? .....	43
<b>Billing by Groups .....</b>	<b>45</b>
Overview .....	45
How do I create a billing group? .....	45
How do I assign settings to a billing group? .....	48
How do I complete the billing process for a group? .....	48

---

**Additional Billing Tasks..... 49**

Overview .....	49
How do I create a billing record? .....	49
How do I create a manual Management Fee? .....	50
How do I create a Billable Service? .....	52
How do I create a service charge? .....	54
How do I create a billing adjustment? .....	56
How do I create a payment? .....	58
How do I exclude securities from billing at the practice level? .....	60
How do I exclude a security at the account level? .....	62
How do I generate practice level billing reports? .....	64
How do I know if prices are missing when generating a bill? .....	67
How do I adjust a price? .....	69
How do I split assets under management? .....	71
How do I calculate fees for clients with split AUM? .....	74

# Creating and Managing Client Bills

Billing is an important parts of your practice. After all, it's how you are paid for the services you provide. Morningstar Office<sup>SM</sup> Cloud offers customizable, step-by-step processes to handle your billing.

This manual walks through the billing cycle end-to-end, and explains the following topics:

- ▶ [Creating Management Fees \(page 6\)](#)
- ▶ [Assigning Management Fees \(page 24\)](#)
- ▶ [Calculating Management Fees \(page 33\)](#)
- ▶ [Generating Billing Reports \(page 40\)](#)
- ▶ [Billing by Groups \(page 45\)](#)
- ▶ [Additional Billing Tasks \(page 51\)](#)

## Overview

Billing Summary									
Printed on 4/10/2018		1/1/2018 - 3/31/2018							
Report Currency: USD									
AMITA MONIE 340 COBEK COURT MCKINNEY, ID 33609									
Billing Details									
Management Fees	Billable Balance	Period Effective Rate (%)*	Billing Date	Amount					
Quarterly management fee for 3/31/2018	12,008.54	0.499978	3/31/2018	60.04					
	From	to	Annual Rate (%)	Amount					
	0.00	12,008.54	2.0000	60.04					
			Management Fee	60.04					
Account Name									
Quarterly management fee for 3/31/2018	Account Owner	Account Number	Market Value	Billable Balance	Amount				
545123236 - ROTH IRA	MONIE, AMITA	545123236	198.32	2,356.17	11.78				
573137281 - TRADITIONAL IRA	MONIE, AMITA	573137281	1,148.02	3,485.95	17.43				
574173997 - INDIVIDUAL	MONIE, AMITA	574173997	1,764.01	6,166.42	30.83				
Total Amount									
<b>60.04</b>									
The following amount(s) will be debited from your account(s):									
Account Name									
545123236 - ROTH IRA	Account Owner	Account Number		Amount					
573137281 - TRADITIONAL IRA	MONIE, AMITA	545123236		11.78					
574173997 - INDIVIDUAL	MONIE, AMITA	573137281		17.43					
574173997 - INDIVIDUAL	MONIE, AMITA	574173997		30.83					
Total Balance Due									
<b>0.00</b>									

A typical Billing Summary

## Creating Management Fees

The first step in the billing process is to create management fees, or determine how you want to bill your clients. For example, do you want to bill using multiple tiers, quarterly, and in advance? Or do you want to bill with a single tier, monthly, and at the end of term?

In this section, you will learn how to do the following:

- ▶ What a management fee is ([page 6](#))
- ▶ Create a billing disclosure ([page 7](#))
- ▶ Create a Total Account Value management fee ([page 8](#))
- ▶ Create a Security Type management fee ([page 13](#))
- ▶ Create a Flat Dollar Amount management fee ([page 16](#))
- ▶ Create a Based on Performance management fee ([page 19](#))
- ▶ Copy a management fee ([page 22](#))

Management fees determine how your clients are to be billed. Once created, you can then assign management fees to your clients, accounts, and practice. The table below describes the three types of management fees:

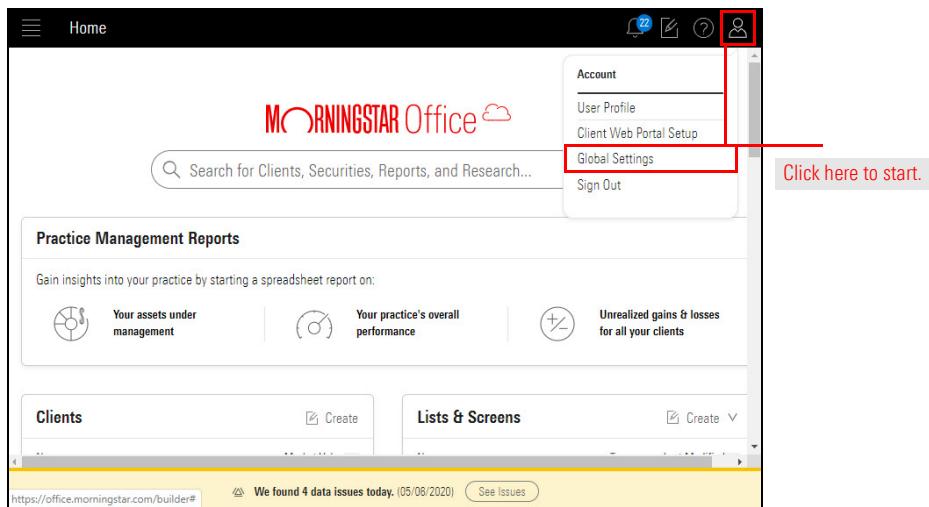
### Overview

### What is a management fee?

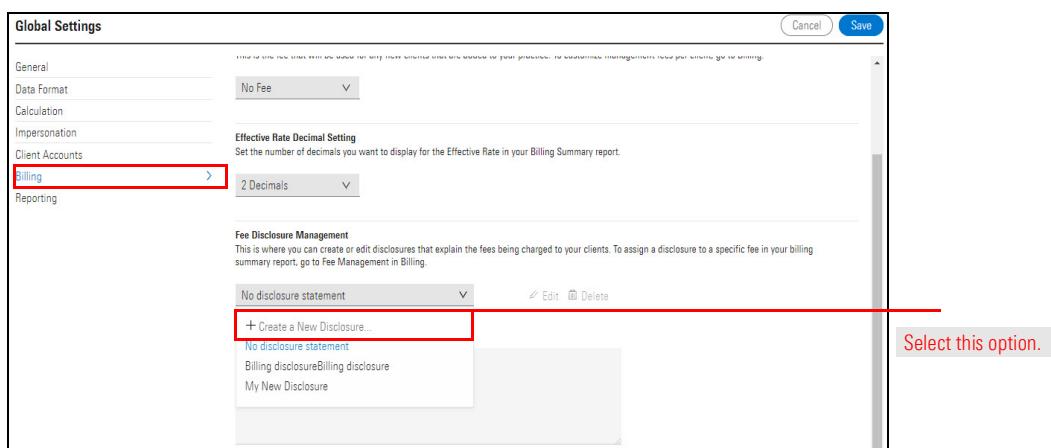
With this management fee ...	You can charge ...
Total Account Value	A unique percentage, based on total value of the account.
Security Type	A unique percentage, broken down by security types within an account.
Flat Dollar Amount	A set dollar amount, set up for a client or account.
Based on Performance	A set percentage of all portfolio gains.

Billing disclosures allow you to provide additional information about your clients' bill. You have the option to create multiple billing disclosures, which you can assign to separate management fees. Billing disclosures appear at the bottom of your client's bill. To create a billing disclosure, do the following:

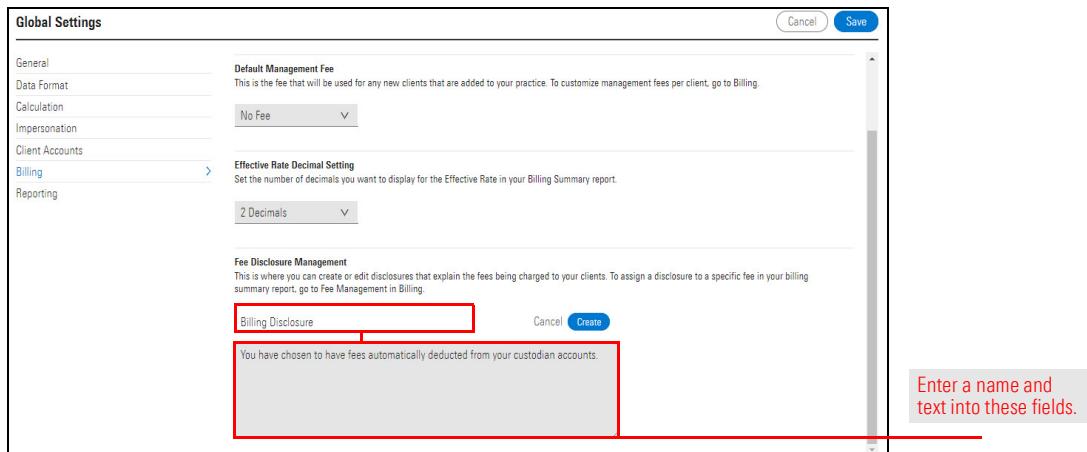
1. From the **Account** icon, select **Global Settings**. The Global Settings window opens.



2. Click the **Billing** page, then scroll down to the **Fee Disclosure Management** section.
3. From the drop-down field, select **Create New Disclosure**.



4. In the **Enter a name for your disclosure** field, enter a **name** for your disclosure.
5. In the **Enter or paste text for your disclosure** field, enter **content** for your disclosure.

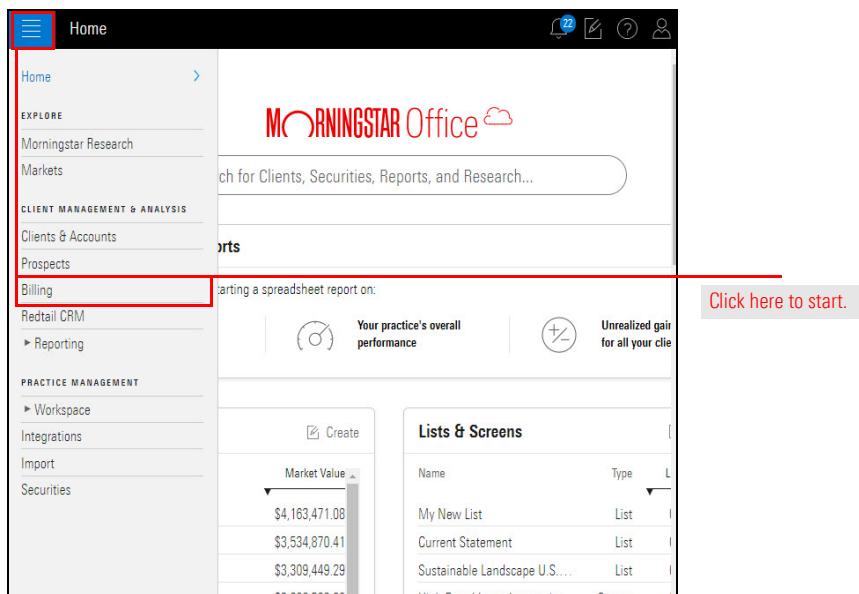


6. Click **Create**.

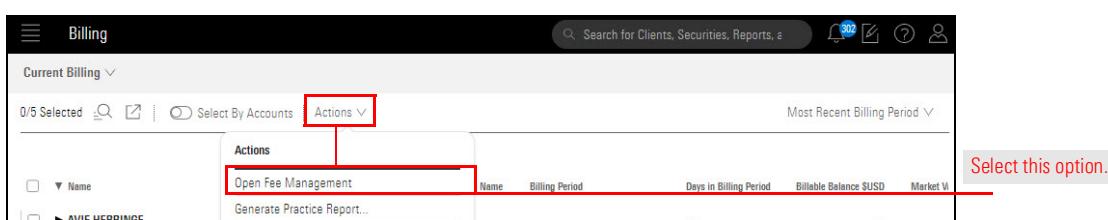
How do I create a total portfolio value fee?

To create a Total Portfolio Value management fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.



2. Click **Actions > Open Fee Management**. The Fee Management dialog box opens.



3. In the **Create fee** field, enter a **name** for the fee.
 

☞ Note: The fee name is limited to 50 characters.
4. Click the **checkbox** at the right of the fee name field. The Management Fee set up options are displayed.

As a fee name is entered, a counter (here, 29) indicates how many additional characters are allowed.

Fee Management	
Create fee	Please name your fee to see steps and tiers options
Tiered Management Fee <span style="border: 1px solid red; padding: 2px;">29 ✓</span>	

5. From the **How do you want to bill?** drop-down menu, select **By Total Portfolio Value**.
6. In the **Fee Structure** area, click **Annual Rate with Firm & Advisor Fee Breakout**.
7. In the **Rate Calculation** area, click **Use graduated rate based upon tier breakpoints**.
8. In the row for Tier 1, the **Low Value \$** field is preset at 0.00. In the **High Value \$** column, enter **500,000**.
9. In the **Firm Fee%** column, enter **2**. Then in the **Advisor Fee%** column, enter **.5**.
 

☞ Note: If you selected Annual Rate Only from the Fee Structure options, only the Annual Rate % column is available.
10. In the row for Tier 2, the **Low Value \$** field is preset at 500,000. In the **High Value \$** column, enter **1,000,000**.
11. In the **Firm Fee%** column, enter **1.5**. Then in the **Advisor Fee%** column, enter **.5**.
12. In the row for Tier 3, the **Low Value \$** field is preset at 500,000. In the **High Value \$** column, presets the final tier as a series of 9's.
13. In the **Firm Fee%** column, enter **1**. Then in the **Advisor Fee%** column, enter **.5**.

How do you want to bill? \* Required field

Select this option.

Fee Structure \* Required field

Choose this Fee Structure.

<input type="radio"/> Annual Rate Only	<input type="radio"/> Use flat rate based on highest tier met
<input checked="" type="radio"/> Annual Rate with Firm & Advisor Fee Breakout	<input checked="" type="radio"/> Use graduated rate based upon tier breakpoints

Set Up Tiers

These rates apply to the total value of the account based on the rate calculation you selected.

	Low Value \$	High Value \$*	Firm Fee %*	Advisor Fee %*	Annual Rate%
TIER 1	0.00	500,000.00	2.0000	0.5000	2.5000
TIER 2	500,000.00	1,000,000.00	1.5000	0.5000	2.0000
TIER 3	1,000,000.00	9,999,999,999.99	1.0000	0.5000	1.5000

+ Add Another Tier

Bill Rate Methodology	Bill Frequency	Pay Period	When to Bill
-----------------------	----------------	------------	--------------

Note that Tier 1's High Value is repeated as Tier 2's Low Value.

14. In the Billing Period area, select from the various billing **settings**. See the table below for a description of each option within the Billing Period area.

Setting	Description
When to Bill	Choose either Advance to bill on the last day of one time period for the next period. Or End of Term to bill on the last day of one time period for the same time period.
Bill Using	When billing in advance, choose: <ul style="list-style-type: none"> <li>▶ Beginning Balance</li> <li>▶ Daily Average Balance</li> </ul> When billing end of term, use: <ul style="list-style-type: none"> <li>▶ Ending Balance</li> <li>▶ Daily Average Balance</li> </ul>
Frequency	Frequency refers to how often clients are billed. Select from the following options: <ul style="list-style-type: none"> <li>▶ Quarterly</li> <li>▶ Monthly</li> <li>▶ Every 2 months</li> <li>▶ Every 4 months</li> <li>▶ Semi-annually, or</li> <li>▶ Annually.</li> </ul>
Next Billable Date	Select Default or Custom. With Default, accounts are billed according to conventional calendar periods. With the Custom option, accounts are charged on a date of your choosing. The start and end dates follow your custom schedule. For example, you can stagger your quarterly billing by scheduling a portion of your business in January (for January-March, April-June, July-September and October-December), then create another management fee setting for the next portion in February (for February-April, May-July, August-October and November-January), and a third management fee setting for the final portion in March (for March-May, June-August, September-November and December-February).

Setting	Description
Upcoming Billing Periods	This field displays the billing periods you selected.
Bill Rate Methodology	Select either Actual/Average or Actual/Actual.  With Actual/Average, the annual fee is multiplied by (1/4) to calculate a quarterly fee, (1/12) for a monthly fee, etc. (The frequency of payment is selected in the Payment Period field.)  With Actual/Actual, the annual fee is multiplied by X divided by 365 (where X is the actual number of days in the billing period) to calculate the fee. For example, with a quarterly fee, in the second calendar quarter (i.e., April, May and June) a flat fee of \$1,000 would be multiplied by (91/365).

15. In the Additional Settings area, select from the various billing **settings**. See the table below for a description of each option within the Additional Settings area. You might need to **scroll down** to see all of the Settings area.

**Additional Settings**

**Exclude Accrued Interest**  Yes  No

**Adjustments**  Rebate Transaction Commissions  Rebate Other Transaction Fees

**Prorate**  New Accounts  Cash Flows  In Flows  All Flows

**Min. Flow for Proration**  Amount  Percent

**Annual Additional Fee** 0.00 **Annual Minimum Fee** 0.00

**Management Fee**  Deduct From Custodian Account  Send Invoice to Client

**Billing Disclosure** No disclosure statement ▾

**Select the appropriate settings.**

Cancel **Create**

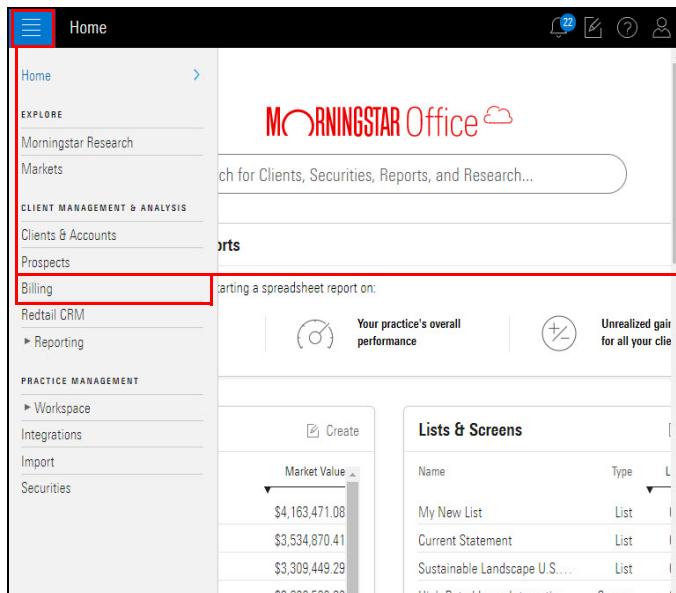
Setting	Description
Exclude Accrued Interest	Check Yes to exclude accrued interest from bonds in the billable balance of your accounts.
Adjustments	Click the slider next to Rebate Transaction Commissions and/or Rebate Transactions "Other" Fees.  With Rebate Transaction Commissions, any commissions you have earned over the quarter are subtracted (this data is drawn from the transaction history).  With Rebate Transactions "Other" Fees, any transaction fees or other expenses that the client paid to other parties (not the advisor) are subtracted.

Setting	Description
Prorate	<p>Click the slider next to New Accounts and/or Cash Flows.</p> <p>With New Accounts:</p> <ul style="list-style-type: none"> <li>▶ If you are billing in arrears, clients will be discounted for the days during the last quarter when their accounts were not yet open.</li> <li>▶ If you are billing in advance, clients will be additionally charged for the days that their accounts were open during the past quarter.</li> </ul> <p>With Cash Flows, clients are discounted for the days when their accounts had a lower balance, and charged more for the days during which their accounts had a higher balance. Once selected In Flows to prorate for inflows only, or All Flows to prorate for both inflows and outflows of cash.</p>
Min. Flow for Proration	Select either Amount or Percent required to trigger the proration, then enter that value in the field below the option buttons.
Annual Additional Fee	If you need to charge an additional flat fee along with the tiered fee, enter that amount here.
Annual Minimum Fee	Enter a dollar amount here to ensure that a certain annual minimum fee is charged to an account. Keep in mind that this fee is calculated for each billing period, and not simply at the end of the year. For instance, if you bill quarterly and enter an annual minimum fee of \$1,200, the system will ensure your client is billed for at least \$300 each quarter. If you bill monthly, the system will ensure your client is billed for at least \$100 each month.
Management Fee	<p>Select either Deduct From Custodian Account or Send Invoice to Client.</p> <p>With Deduct From Custodian Account, a 0 will appear at the bottom of the bill. Fees are deducted from the custodian, and show up as transactions the next time transactional accounts are deducted</p> <p>With Send Invoice to Client, an amount appears at the bottom of the bill and clients must remit payment to you.</p>
Billing Disclosure	If desired, select a custom disclosure to appear on the Billing Summary. You must have already created and saved a billing disclosure before you can select it here. Billing disclosure are created within Global Settings, under the Account menu.

16. At the bottom of the Fee Management window, click **Create**.

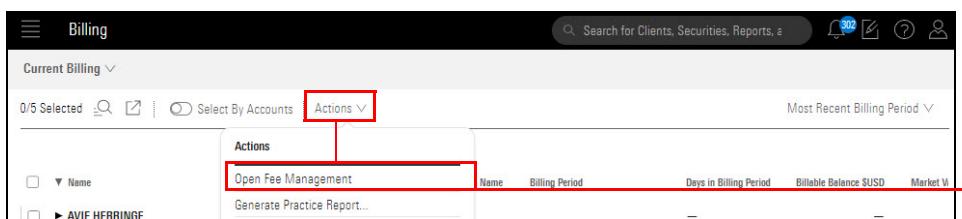
To create a Security Type management fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.



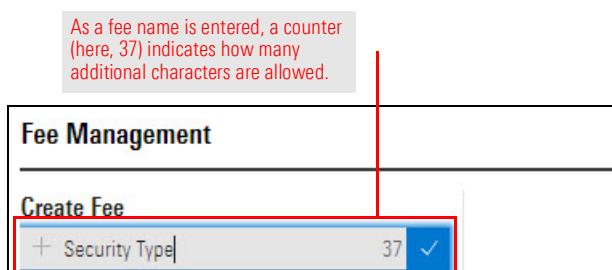
The screenshot shows the Morningstar Office interface. On the left, a vertical navigation menu is open, showing sections like 'Home', 'EXPLORE', 'CLIENT MANAGEMENT & ANALYSIS', 'PRACTICE MANAGEMENT', and 'Billing'. The 'Billing' option is highlighted with a red box. The main content area displays 'Morningstar Office' branding, a search bar, and a 'Lists & Screens' section. A red box highlights the 'Click here to start.' button.

2. Click **Actions > Open Fee Management**. The Fee Management dialog box opens.



The screenshot shows the 'Billing' page with the 'Actions' dropdown menu open. The 'Open Fee Management' option is highlighted with a red box. A red box also highlights the 'Select this option.' text in the top right corner of the dialog.

3. In the **Create fee** field, enter a **name** for the fee.
- ☞ Note: The fee name can have no more than 50 characters.
4. Click the **checkbox** at the right of the fee name field. The Tier SetUp options are displayed.



The screenshot shows the 'Fee Management' dialog box. The 'Create Fee' field contains the text '+ Security Type' and has a character counter showing '37'. A red box highlights the checked checkbox to the right of the field. A callout box with a red arrow points to the character counter, stating: 'As a fee name is entered, a counter (here, 37) indicates how many additional characters are allowed.'

5. From the **How do you want to bill?** drop-down menu, select **By Security Type**
6. In the **Fee Structure** area, click **Annual Rate with Firm & Advisor Fee Break Out**.
7. In the **Rate Calculation** area, click **Use graduated rate based upon tier breakpoints**.
8. In the **Tier Group** area, click **Create a Tier Group**. The Create a Tier Group page opens.

How do you want to bill? \* Required field

By Security Type

Fee Structure

Annual Rate Only

Annual Rate with Firm & Advisor Fee Breakout

Rate Calculation

Use flat rate based on highest tier met

Use graduated rate based on tier breakpoints

Tier Groups

Assign security types to a tier group in order to break out fees on a client billing summary. Any security types not assigned won't be billed.

Unassigned Security Types: 30

+ Create a Tier Group

9. In the **Create a Tier Group** text field, type **Cash**.
10. In the **Search for Security Type** field, type **Cash**. Then select **Cash & Cash Equivalents**. Click off the drop-down menu to close.

Back | Create a Tier Group

Tier Group Name \*

Cash

Add Security Types

Search for a Security Type

Cash and Cash Equivalents

Set Up Tiers

These rates will only apply to the security types you've added to the left.

	Low Value \$	High Value \$*	Annual Rate %*
TIER 1	0.00	Enter a number	Enter a number
+ Add Another Tier			

11. In the row for Tier 1, the **Low Value \$** field is preset at 0.00. In the **High Value \$** column, enter **a series of 9s**.
12. In the **Firm Fee%** column, enter **0**. Then in the **Advisor Fee%** column, enter **0**.

Back | Create a Tier Group

Tier Group Name \*

Cash

Add Security Types

Search for a Security Type

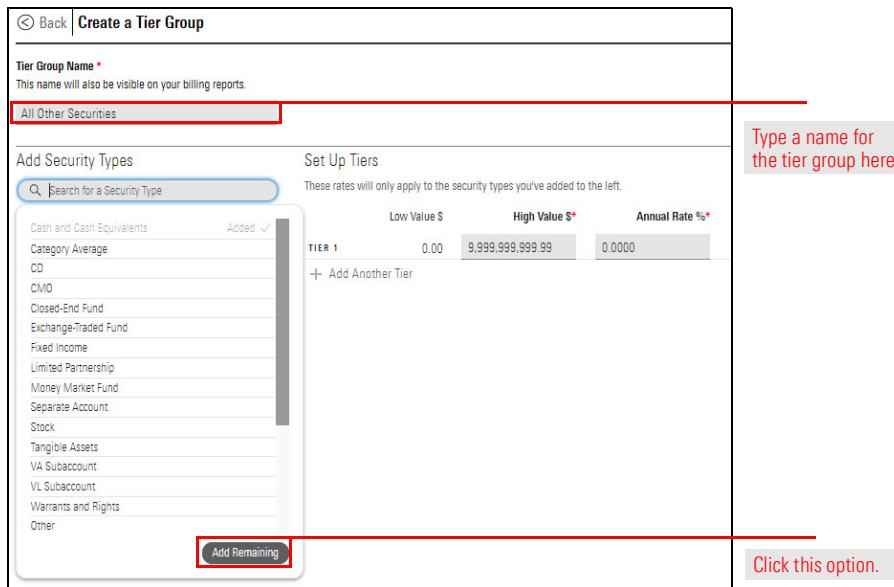
Cash and Cash Equivalents

Set Up Tiers

These rates will only apply to the security types you've added to the left.

	Low Value \$	High Value \$*	Annual Rate %*
TIER 1	0.00	9,999,999.99	0.0000
+ Add Another Tier			

13. In the **Create a Tier Group** text field (now called Cash), type **All Other Securities**.
14. Click inside the **Search for Security Type** field. A drop-down menu opens.
15. Click **Add Remaining**. Then click off the drop-down menu to close.

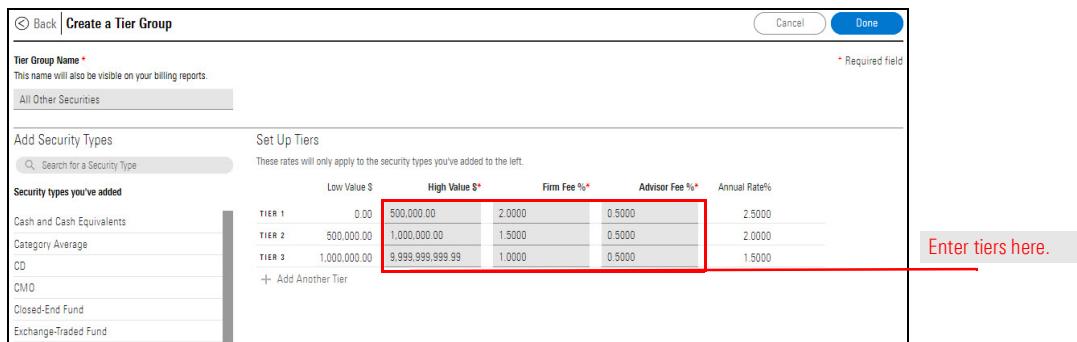


The screenshot shows the 'Create a Tier Group' page. On the left, a sidebar lists security types: Cash and Cash Equivalents, Category Average, CD, CMO, Closed-End Fund, Exchange-Traded Fund, Fixed Income, Limited Partnership, Money Market Fund, Separate Account, Stock, Tangible Assets, VA Subaccount, VL Subaccount, Warrants and Rights, and Other. A search bar is at the top of the sidebar. On the right, a 'Set Up Tiers' section shows a table with one row for 'TIER 1'. The table has columns for 'Low Value \$', 'High Value \$\*', 'Firm Fee %\*', 'Advisor Fee %\*', and 'Annual Rate %'. The 'High Value \$\*' cell for Tier 1 contains '9,999,999,999.99'. A red box highlights the 'Add Remaining' button at the bottom of the page. A red box also highlights the 'All Other Securities' text in the search bar.

16. In the row for Tier 1, the **Low Value \$** field is preset at 0.00. In the **High Value \$** column, enter **500,000**.
17. In the **Firm Fee%** column, enter **2**. Then in the **Advisor Fee%** column, enter **.5**.

**Note:** If you selected Annual Rate Only from the Fee Structure options, only the Annual Rate % column is available.

18. In the row for Tier 2, the **Low Value \$** field is preset at 500,000. In the **High Value \$** column, enter **1,000,000**.
19. In the **Firm Fee%** column, enter **1.5**. Then in the **Advisor Fee%** column, enter **.5**.
20. In the row for Tier 3, the **Low Value \$** field is preset at 1,000,000. In the **High Value \$** column represents the final tier as a series of 9's.
21. In the **Firm Fee%** column, enter **1**. Then in the **Advisor Fee%** column, enter **.5**.



The screenshot shows the 'Create a Tier Group' page with three tiers added. The table is as follows:

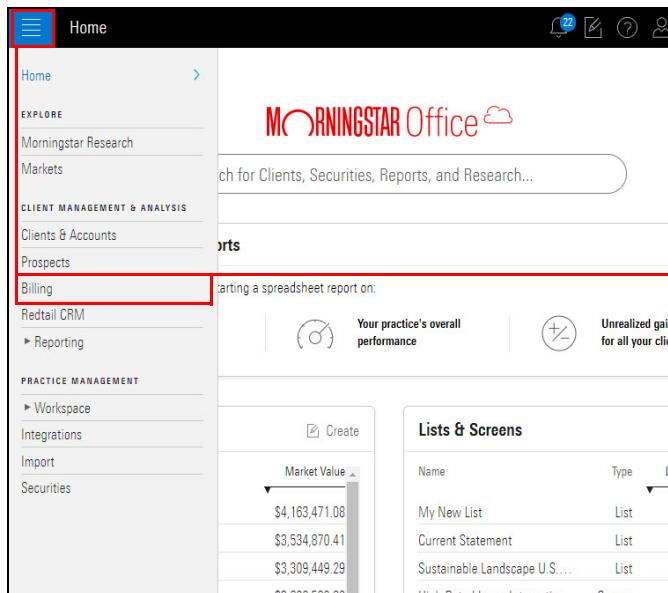
	Low Value \$	High Value \$*	Firm Fee %*	Advisor Fee %*	Annual Rate %
TIER 1	0.00	500,000.00	2.0000	0.5000	2.5000
TIER 2	500,000.00	1,000,000.00	1.5000	0.5000	2.0000
TIER 3	1,000,000.00	9,999,999,999.99	1.0000	0.5000	1.5000

A red box highlights the entire table. A red box also highlights the 'Add Remaining' button at the bottom of the page. A red box highlights the 'All Other Securities' text in the search bar.

22. Click **Done**.
23. Follow steps 15-17 in [How do I create a total portfolio value fee? on page 8](#).

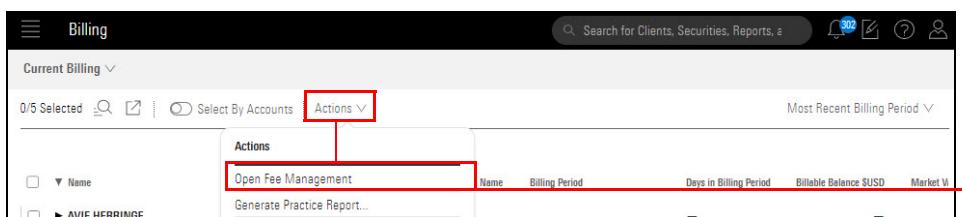
To create a flat dollar amount management fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.



The screenshot shows the Morningstar Office interface. On the left, a vertical navigation menu is open, showing sections like 'Home', 'EXPLORE', 'CLIENT MANAGEMENT & ANALYSIS', 'PRACTICE MANAGEMENT', and 'Billing'. The 'Billing' option is highlighted with a red box. The main content area displays 'Morningstar Office' branding, a search bar, and a 'Lists & Screens' section. A call-to-action button 'Click here to start.' is visible.

2. Click **Actions > Open Fee Management**. The Fee Management dialog box opens.

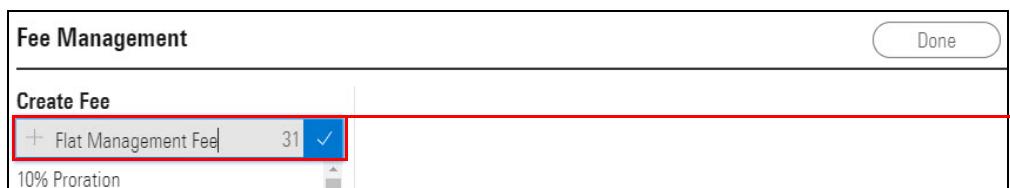


The screenshot shows the 'Billing' page with the 'Actions' dropdown menu open. The 'Open Fee Management' option is highlighted with a red box. A call-to-action box 'Select this option.' is overlaid on the right side of the menu.

3. In the **Create fee** field, enter a **name** for the fee.

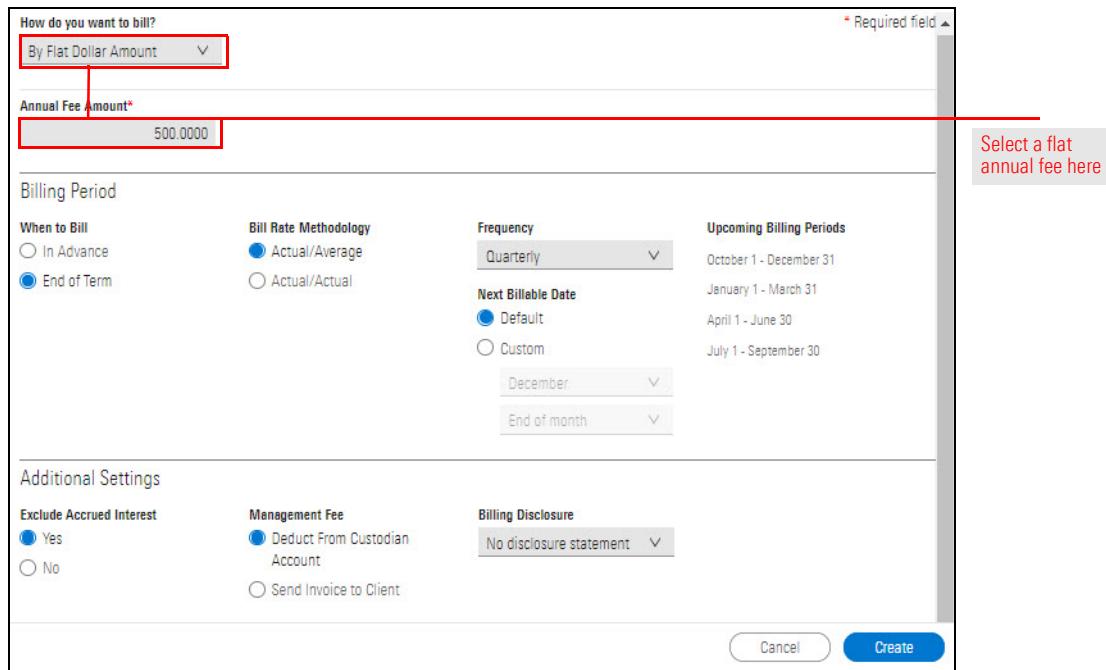
Note: The fee name can have no more than 50 characters.

4. Click the **checkmark** at the right of the fee name field.



The screenshot shows the 'Fee Management' dialog box. The 'Create Fee' field contains the text '+ Flat Management Fee' and has a checkmark icon to its right. A call-to-action box 'Type a fee named here.' is overlaid on the right side of the dialog.

5. From **How do You wan to bill?**, select **By Flat Dollar Amount**.
6. In the **Annual Fee Amount** field, type a **500.00** in the text box.
7. In the Bill Period area, select from the various billing **options**. See the table below for a detailed description of each setting.
8. In the Additional settings area, select from the various **options**. See the table below for a detailed description of each setting. You might need to **scroll down** to see all of the Settings area.



The screenshot shows the 'Create Management Fee' dialog box. At the top, it asks 'How do you want to bill?' with a dropdown set to 'By Flat Dollar Amount'. Below this, the 'Annual Fee Amount\*' field contains '500.0000' and is highlighted with a red box and a red callout that says 'Select a flat annual fee here'. The 'Management Fee' section shows 'Deduct From Custodian Account' selected. The 'Billing Disclosure' dropdown is set to 'No disclosure statement'. The 'Frequency' dropdown is set to 'Quarterly'. The 'Upcoming Billing Periods' section shows four periods: 'October 1 - December 31', 'January 1 - March 31', 'April 1 - June 30', and 'July 1 - September 30'. The 'When to Bill' section shows 'End of Term' selected. The 'Bill Rate Methodology' section shows 'Actual/Average' selected. The 'Additional Settings' section shows 'Yes' selected for 'Exclude Accrued Interest'. At the bottom are 'Cancel' and 'Create' buttons.

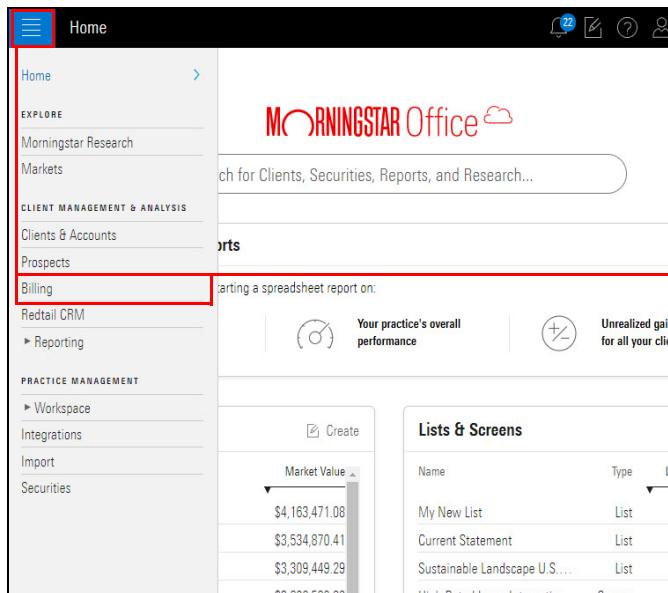
Setting	Description
When to Bill	Choose either Advance to bill on the last day of one time period for the next period. Or End of Term to bill on the last day of one time period for the same time period.
Bill Rate Methodology	Select either Actual/Average or Actual/Actual.  With Actual/Average, the annual fee is multiplied by (1/4) to calculate a quarterly fee, (1/12) for a monthly fee, etc. (The frequency of payment is selected in the Payment Period field.)  With Actual/Actual, the annual fee is multiplied by X divided by 365 (where X is the actual number of days in the billing period) to calculate the fee. For example, with a quarterly fee, in the second calendar quarter (i.e., April, May and June) a flat fee of \$1,000 would be multiplied by (91/365).
Frequency	Frequency refers to how often clients are billed. Select from the following options: <ul style="list-style-type: none"> <li>► Quarterly</li> <li>► Monthly</li> <li>► Every 2 months</li> <li>► Every 4 months</li> <li>► Semi-annually, or</li> <li>► Annually.</li> </ul>

Setting	Description
Next Billable Date	Select Default or Custom. With Default, accounts are billed according to conventional calendar periods. With the Custom option, accounts are charged on a date of your choosing. The start and end dates follow your custom schedule. For example, you can stagger your quarterly billing by scheduling a portion of your business in January (for January-March, April-June, July-September and October-December), then create another management fee setting for the next portion in February (for February-April, May-July, August-October and November-January), and a third management fee setting for the final portion in March (for March-May, June-August, September-November and December-February).
Upcoming Billing Periods	This field displays the billing periods you selected.
Exclude Accrued Interest	Check Yes to exclude accrued interest from bonds in the billable balance of your accounts.
Management Fee	Select either Deduct From Custodian Account or Send Invoice to Client. With Deduct From Custodian Account, a 0 will appear at the bottom of the bill. Fees are deducted from the custodian, and show up as transactions the next time transactional accounts are deducted With Send Invoice to Client, an amount appears at the bottom of the bill and clients must remit payment to you.
Billing Disclosure	If desired, select a custom disclosure to appear on the Billing Summary. You must have already created and saved a billing disclosure before you can select it here. Billing disclosure are created within Global Settings, under the Account menu.

- At the bottom of the Fee Management window, click **Create**.

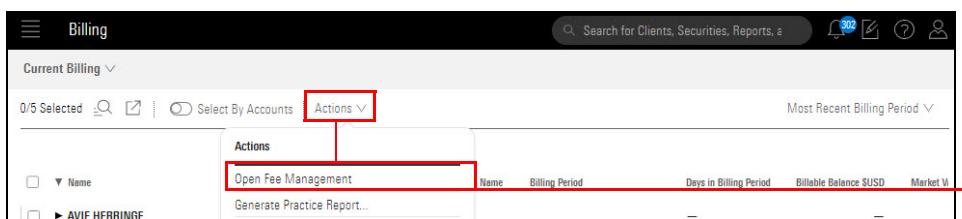
To create a based on performance management fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.



The screenshot shows the Morningstar Office interface. On the left, a vertical navigation menu is displayed with several sections: EXPLORE, CLIENT MANAGEMENT & ANALYSIS, and PRACTICE MANAGEMENT. Under 'CLIENT MANAGEMENT & ANALYSIS', the 'Billing' option is highlighted with a red box. The main content area features the Morningstar Office logo and a search bar. Below the search bar, there are two circular icons: one for 'Your practice's overall performance' and another for 'Unrealized gain for all your clients'. To the right of these icons is a button labeled 'Click here to start.' Below the icons is a section titled 'Lists & Screens' with a table showing three items: 'My New List' (List), 'Current Statement' (List), and 'Sustainable Landscape U.S.' (List). The table has columns for 'Name', 'Type', and 'Market Value'.

2. Click **Actions > Open Fee Management**. The Fee Management dialog box opens.

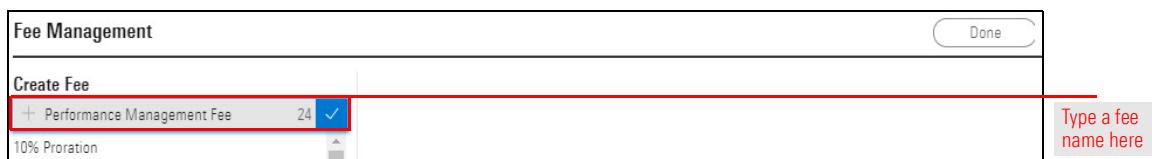


The screenshot shows the 'Billing' page with the 'Actions' dropdown menu open. The 'Actions' menu has two options: 'Open Fee Management' and 'Generate Practice Report...'. The 'Open Fee Management' option is highlighted with a red box. A red box also highlights the 'Actions' dropdown menu itself. To the right of the menu, a grey box contains the text 'Select this option.'.

3. In the **Create fee** field, enter a **name** for the fee.

☞ Note: The fee name can have no more than 50 characters.

4. Click the **checkmark** at the right of the fee name field.



The screenshot shows the 'Fee Management' dialog box. In the 'Create Fee' section, there is a list of fee types. The 'Performance Management Fee' option is selected, indicated by a red box around the list item and a red checkmark in the checkbox field to its right. A red box also highlights the 'Create Fee' section header. To the right of the list, a grey box contains the text 'Type a fee name here'.

5. From **How do you want to Bill?**, select **Based on Performance**.

6. In the **Billing Rate %**, type **1.5**.

7. In the **Apply When Performance Exceeds %**, type a **percentage threshold above 0%** (optional).

8. In the **Annual Minimum Fee** field, type a **500,000**.

☞ Note: The Annual Minimum Fee will be used when its value is greater than the value of the fee based performance.

## How do I create a performance fee?

- In the Bill Period area, select from the various billing **options**. See the table below for a detailed description of each setting.
- In the Additional settings area, select from the various **options**. See the table below for a detailed description of each setting. You might need to **scroll down** to see all of the Settings area.

How do you want to bill?

Based on Performance

Billing Rate %*	Apply When Performance Exceeds %	Annual Minimum Fee ⓘ
1.50	3.00	500.00

Enter performance based figures here

**Billing Period**

When to Bill	Bill Rate Methodology	Frequency	Upcoming Billing Periods
End of Term	<input checked="" type="radio"/> Actual/Average <input type="radio"/> Actual/Actual	Quarterly	October 1 - December 31
		Next Billable Date	January 1 - March 31
		<input checked="" type="radio"/> Default <input type="radio"/> Custom	April 1 - June 30
			July 1 - September 30
		December	
		End of month	

**Additional Settings**

Exclude Accrued Interest	Management Fee	Billing Disclosure
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Deduct From Custodian Account <input type="radio"/> Send Invoice to Client	No disclosure statement

**Cancel** **Create**

Setting	Description
When to Bill	Choose either Advance to bill on the last day of one time period for the next period. Or End of Term to bill on the last day of one time period for the same time period.
Bill Rate Methodology	Select either Actual/Average or Actual/Actual.  With Actual/Average, the annual fee is multiplied by (1/4) to calculate a quarterly fee, (1/12) for a monthly fee, etc. (The frequency of payment is selected in the Payment Period field.)  With Actual/Actual, the annual fee is multiplied by X divided by 365 (where X is the actual number of days in the billing period) to calculate the fee. For example, with a quarterly fee, in the second calendar quarter (i.e., April, May and June) a flat fee of \$1,000 would be multiplied by (91/365).
Frequency	Frequency refers to how often clients are billed. Select from the following options: <ul style="list-style-type: none"><li>► Quarterly</li><li>► Monthly</li><li>► Every 2 months</li><li>► Every 4 months</li><li>► Semi-annually, or</li><li>► Annually.</li></ul>

Setting	Description
Next Billable Date	Select Default or Custom. With Default, accounts are billed according to conventional calendar periods. With the Custom option, accounts are charged on a date of your choosing. The start and end dates follow your custom schedule. For example, you can stagger your quarterly billing by scheduling a portion of your business in January (for January-March, April-June, July-September and October-December), then create another management fee setting for the next portion in February (for February-April, May-July, August-October and November-January), and a third management fee setting for the final portion in March (for March-May, June-August, September-November and December-February).
Upcoming Billing Periods	This field displays the billing periods you selected.
Exclude Accrued Interest	Check Yes to exclude accrued interest from bonds in the billable balance of your accounts.
Management Fee	Select either Deduct From Custodian Account or Send Invoice to Client. With Deduct From Custodian Account, a 0 will appear at the bottom of the bill. Fees are deducted from the custodian, and show up as transactions the next time transactional accounts are deducted With Send Invoice to Client, an amount appears at the bottom of the bill and clients must remit payment to you.
Billing Disclosure	If desired, select a custom disclosure to appear on the Billing Summary. You must have already created and saved a billing disclosure before you can select it here. Billing disclosure are created within Global Settings, under the Account menu.

11. At the bottom of the Fee Management window, click **Create**.

You can also copy a management fee you've already created. Once copied, you can then make changes to the fee. To copy a management fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.

## How do I copy a management fee?

2. Click **Actions > Open Fee Management**. The Fee Management dialog box opens.

3. **Hover the cursor** over the row of the management fee you want to copy. The Actions icon appears. Click the **Actions** icon. The Actions menu opens.
4. From the Actions menu, select **Duplicate**. A new row appears.

5. In the text box, type a **name** for your duplicate management fee. Then click the **check mark** next to the text box.

Fee Management

Create fee

+ Please enter a name to create

10% Pro ration - copy 30

How do you want to bill?

By Total Portfolio Value

Fee Structure

Annual Rate Only

Annual Rate with Firm & Advisor Fee Breakout

Rate Calculation

Use flat rate based on highest tier met

Use graduated rate based on tier breakpoints

Set Up Tiers

These rates apply to the total value of the account based on the rate calculation you selected.

	Low Value \$	High Value \$*	Firm Fee %*	Advisor Fee %*	Annual Rate%
TIER 1	0.00	50,000.00	0.0000	3.0000	3.0000
TIER 2	50,000.00	100,000.00	0.0000	1.0000	1.0000
TIER 3	100,000.00	300,000.00	0.0000	0.0500	0.0500
TIER 4	300,000.00	Enter a number	0.0000	0.0100	0.0100

+ Add Another Tier

Billing Period

6. Change any of the setting within the Fee Management settings options, then click **Create**.

Fee Management

Create fee

+ Please enter a name to create

10% Pro ration - copy 30

How do you want to bill?

By Total Portfolio Value

Fee Structure

Annual Rate Only

Annual Rate with Firm & Advisor Fee Breakout

Rate Calculation

Use flat rate based on highest tier met

Use graduated rate based on tier breakpoints

Set Up Tiers

These rates apply to the total value of the account based on the rate calculation you selected.

	Low Value \$	High Value \$*	Firm Fee %*	Advisor Fee %*	Annual Rate%
TIER 1	0.00	50,000.00	0.0000	3.0000	3.0000
TIER 2	50,000.00	100,000.00	0.0000	1.0000	1.0000
TIER 3	100,000.00	300,000.00	0.0000	0.0500	0.0500
TIER 4	300,000.00	Enter a number	0.0000	0.0100	0.0100

+ Add Another Tier

Billing Period

## Assigning Management Fees

After you create your management fees, you can assign them to clients. For each client or account, assign the following settings:

- ▶ management fee
- ▶ fee methodology
- ▶ discount (optional), and
- ▶ fee allocation.

In this section, you will learn how to do the following:

- ▶ apply a fee calculation methodology ([page 24](#))
- ▶ assign a management fee to a client or account ([page 26](#))
- ▶ assign a management fee to multiple accounts ([page 28](#))
- ▶ assign management fees using an administrator account ([page 29](#))
- ▶ assign a management fee at the practice level ([page 30](#))
- ▶ understand how management fees are paid ([page 30](#)), and
- ▶ apply an ongoing discount to a client or account ([page 32](#)).

Before assigning the management fees you created, you must first select a fee calculation methodology. The fee calculation methodology determines how fees are calculated. You can calculate billing fees in the following ways:

### Overview

### How do I apply a fee calculation methodology?

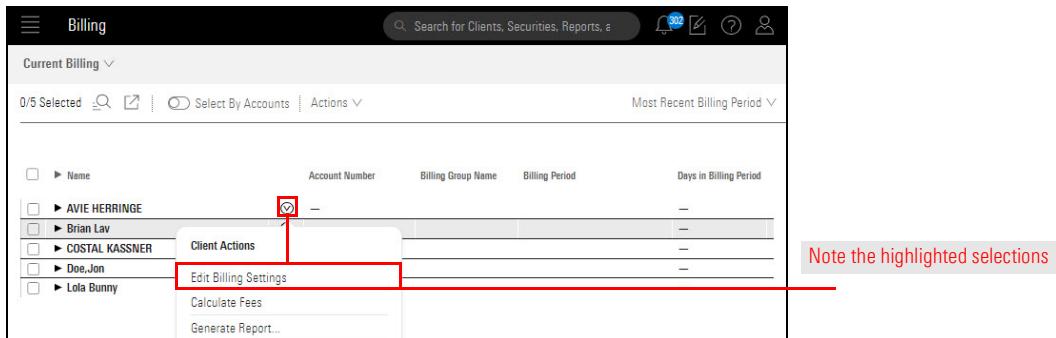
Fee Methodology	Definition
Client Aggregate	Aggregate all of a client's accounts into a single portfolio, and apply a single management fee to the aggregate.
Individual Account	Apply a management fee to each account individually.
Blended Rate	Apply separate management fees to different accounts, but change each account based on the size of the entire aggregate.

At the client-aggregate level, all of a client's accounts are aggregated into one bill. At the individual account level, each account receives a separate bill.

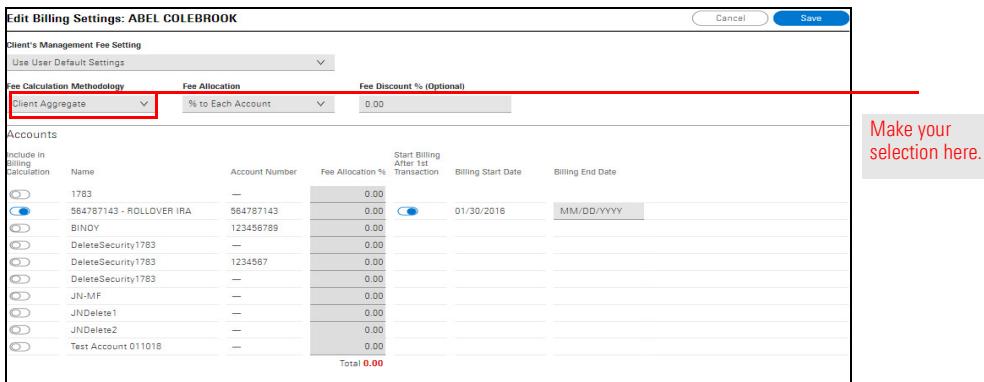
Based on the methodology you choose, assign management fees at that level. To assign a fee methodology, do the following:

1. On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed.
2. Click the **Actions** icon to display the Actions menu.

3. From the **Actions** menu, select **Edit Billing Settings**. The Edit Billing Settings window opens.



4. From the **Fee Calculation Methodology** drop-down menu, select the **methodology** you want to use.



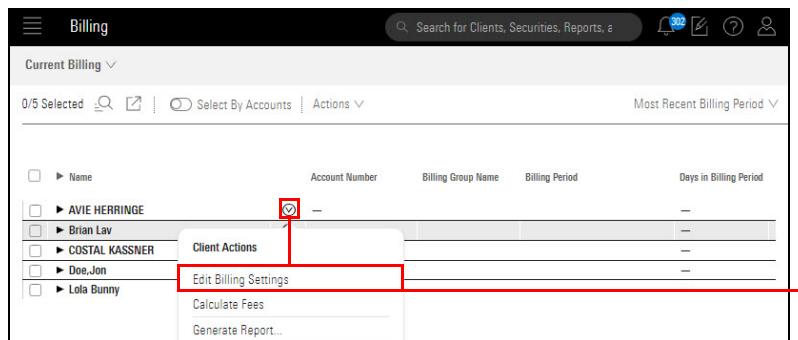
☞ Note: Do not click Done.

Now that you've created several management fees, the next step is to assign a management fee to your clients and accounts. Management fees can be assigned at the following levels:

- ▶ practice
- ▶ multiple clients
- ▶ client aggregate
- ▶ individual accounts.

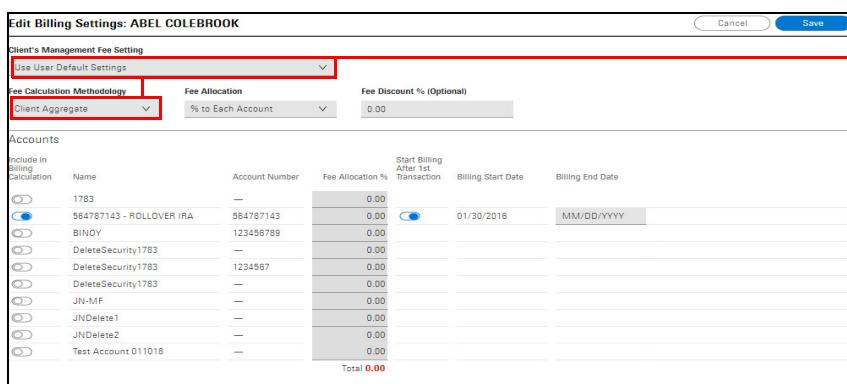
This section describes how to assign a management fee to a clients and accounts. Do the following:

1. On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed.
2. Click the **Actions** icon to display the Actions menu.
3. From the **Actions** menu, select **Edit Billing Settings**. The Edit Billing Settings window opens.



The screenshot shows the 'Billing' page with a list of clients. A client named 'AVIE HERRINGE' is selected, indicated by a checked checkbox and a highlighted row. A red box highlights the 'Actions' icon in the top right corner of the client row. A red box also highlights the 'Edit Billing Settings' option in the Actions menu that has dropped down. A callout box with the text 'Note the highlighted selections' points to the 'Edit Billing Settings' option.

4. To assign at the client aggregate level, from the **Fee Calculation Methodology** drop-down menu, select **Client Aggregate**.
5. From the **Client's Management Fee** drop-down menu, select the **management fee** you want to use.



The screenshot shows the 'Edit Billing Settings' window for 'ABEL COLEBROOK'. The 'Client's Management Fee Setting' dropdown is set to 'Use User Default Settings'. The 'Fee Calculation Methodology' dropdown is set to 'Client Aggregate'. A red box highlights the 'Client Aggregate' option in this dropdown. The 'Accounts' section lists several client accounts with their details. A red box highlights the 'Client Aggregate' option in the 'Fee Calculation Methodology' dropdown. A callout box with the text 'Make your selection here.' points to the 'Client Aggregate' option in the dropdown.

6. To assign at the individual account level, from the **Fee Calculation Methodology** drop-down menu, select **Individual Account**.
7. For each individual account, from the **Management Fee** drop-down menu, select the **management fee** you want to use.

**Edit Billing Settings: ABEL COLEBROOK**

Client's Management Fee Setting		Fee Allocation		Fee Discount % (Optional)			
Fee Calculation Methodology		Fee Allocation	Fee Discount % (Optional)	Start Billing	Fee Allocation %	Billing Start Date	Billing End Date
Use User Default Settings		% to Each Account	0.00	0.00	0.00	01/30/2016	MM/DD/YYYY
Individual Account							
<b>Accounts</b>							
Include in Billing Calculation	Name	Account Number	Management Fee Setting	Discount % (Optional)	Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input type="checkbox"/>	1783	—	Use Client Default Settings	0.00	<input checked="" type="radio"/>	01/30/2016	MM/DD/YYYY
<input checked="" type="checkbox"/>	564787143 - ROLLOVER IRA	564787143	Use Client Default Settings	0.00	<input checked="" type="radio"/>	01/30/2016	MM/DD/YYYY
<input checked="" type="checkbox"/>	BINDY	123456789	Use Client Default Settings	0.00			

**Make your selection here.**

Suppose your firm has changed the fee structure for traditional IRAs, and many of your clients have IRA accounts. You can change the account fee for multiple accounts.

Do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.
2. At the upper-left corner of the window, make sure **Current Billing** is selected.
3. Click the slider next to **Select By Accounts**.
4. In the list, select **accounts** by clicking the **checkbox** at the beginning of each row for an account whose billing fee you want to change.

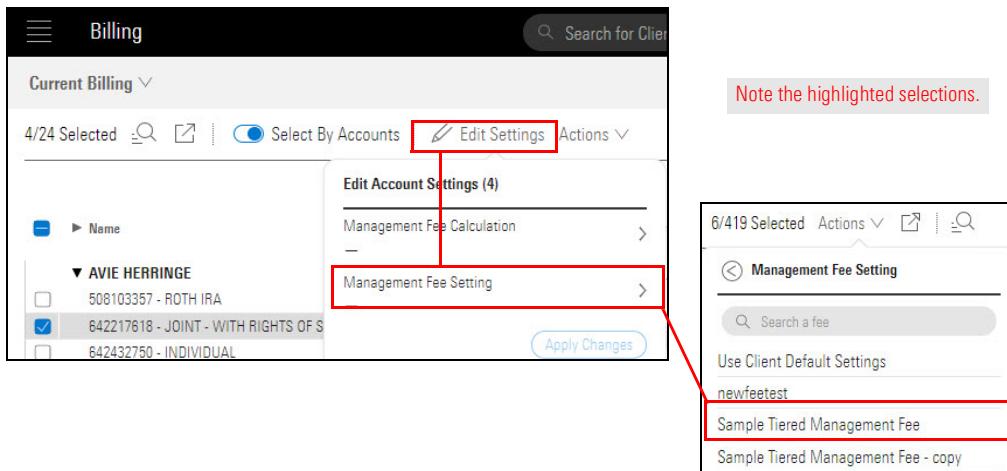
☞ Note: The accounts can be from different clients.

### How can I assign a single account fee to multiple accounts?

The screenshot shows the 'Billing' page in the Morningstar Office Cloud. The 'Current Billing' dropdown is selected. The 'Select By Accounts' button is highlighted with a red box. The table lists accounts under various clients. Several IRA accounts are selected with checkboxes, highlighted by a red box. A note on the right says 'Note the highlighted selections.'

Name	Account Number
Albert Einstein	—
Albert Einstein	1234657
<input checked="" type="checkbox"/> Bob Barker - IRA	35637377
<input type="checkbox"/> Hans Albert Einstein	8904537
<input type="checkbox"/> Martha Einstein	29785523
Alexander Hamilton	—
<input type="checkbox"/> 401K	—
<input checked="" type="checkbox"/> IRA	—
<input type="checkbox"/> Taxable	—
Anderson Family	—
<input type="checkbox"/> Aaron's Taxable	947775113
<input type="checkbox"/> Anderson Account	88210987
<input type="checkbox"/> Anderson Joint Account	—
<input type="checkbox"/> Anderson Joint Account2	—
Baker Household	—
<input type="checkbox"/> Baker Aggregate	—
<input checked="" type="checkbox"/> Baker IRA Account	20081004
<input type="checkbox"/> Baker Transactional Account	20082002
Chris Bayly	—
<input checked="" type="checkbox"/> IRA	—
<input type="checkbox"/> XYZ 401(K) Statement	—
<input type="checkbox"/> XYZ Brokerage Account	—

- From the **Edit Settings** menu, select **Management Fee Settings**.
- From the **Assign Fee** menu, select a **fee**. The fee is saved automatically.

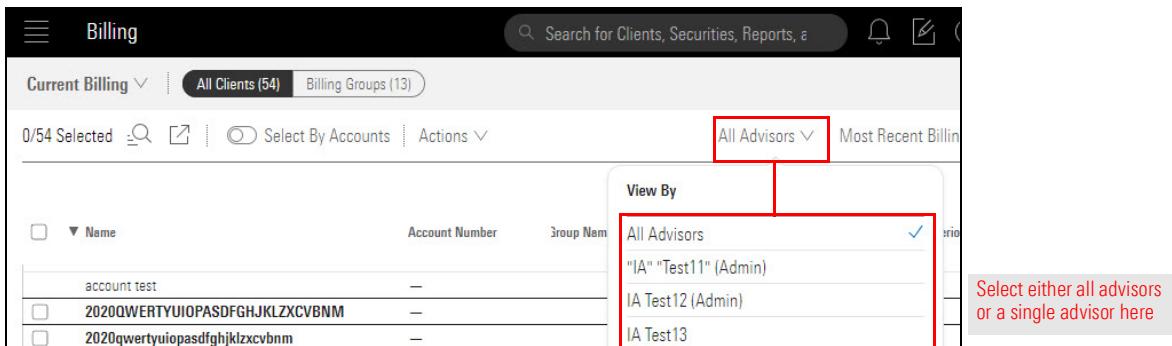


In firms with multiple advisors, an administrator account may be granted to one or more members of your firm. Administrator accounts have access to all clients within the firm, regardless of which advisor owns clients. When it comes to billing, the administrator can assign settings, calculate fees, and create billing reports for a single advisor or all advisors within a firm.

### How do I assign management fees as an administrator?

To assign management fees as an advisor, do the following:

- From the **Menu**, select **Billing**. The Billing page opens.
- At the upper-left corner of the window, make sure **Current** is selected.
- In the upper-right corner of the window, click the **View By Advisor** drop-down menu.
- Select **All Advisors** or an **individual Advisor** within your Firm.



☞ Note: This menu is available with administrator accounts only.

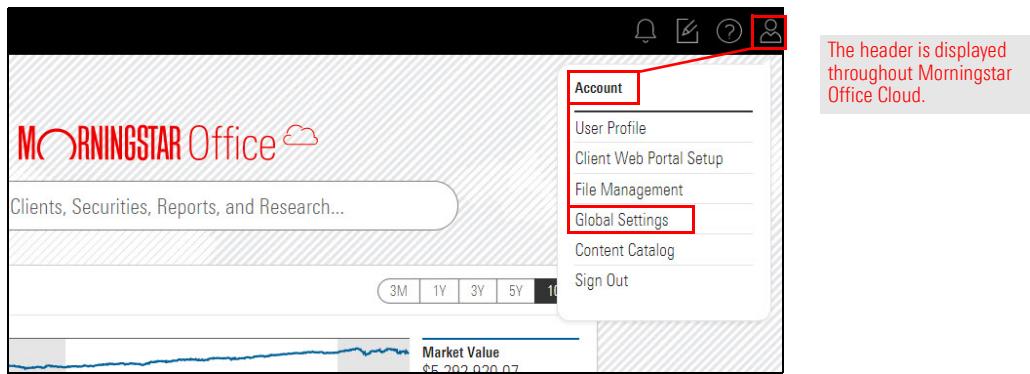
- Setup fees for **clients**:
  - To setup fees for a single client, follow the instruction in [How do I assign a management fee to clients and accounts? on page 26](#).
  - To set up fees for multiple clients at once, follow the instructions in [How can I assign a single account fee to multiple accounts? on page 28](#).

In addition to assigning management fees at the client and account levels, you can also assign a fee for your practice. This setting is applied to each new client, unless you manually change it at the client level.

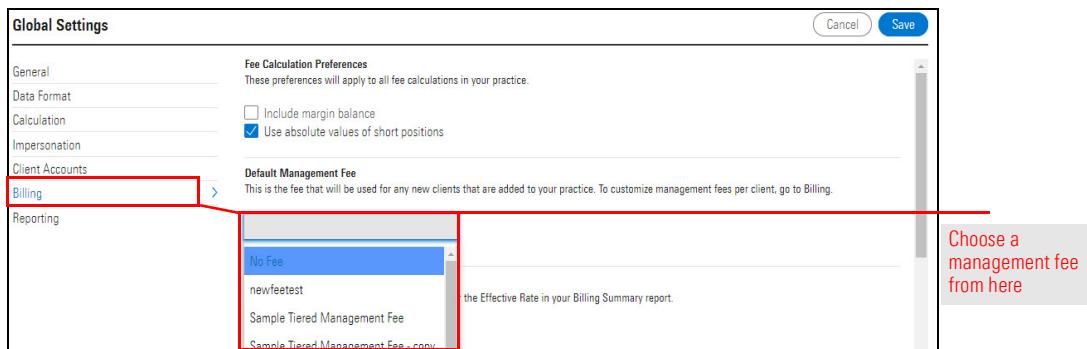
## How can I assign a management fee at the practice level?

To assign a fee for your practice, do the following:

1. In the header area, click the **Account** icon, then select **Global Settings**. The Settings window opens.



2. From the Navigation pane on the left, select the **Billing** tab.
3. From the **Default Management Fee** menu, select the **management fee** you want to assign to your practice.



4. Click **Save**.

When creating your management fee, you determine whether you want fees deducted from your clients' custodian accounts, or whether you want to send each client an invoice. If you choose to send an invoice, the client is responsible for sending payment.

If you choose to have fees deducted from a custodian account, you can allocate fees in the following ways:

- ▶ Each account pays for itself
- ▶ Designate an account to pay for another account, or
- ▶ Assign a percentage to each account.

If each account pays its own fees, you do not need to make any changes to the Edit Billing Settings box.

To select an account to pay fees for another account, do the following:

1. From the **Fee Allocation** drop-down menu, choose **Select With Account Pays**. The Fee Paid By column is added to the Accounts area.
2. For each account, make a **selection** from the **Fee Paid By** drop-down menu.

Include in Billing Calculation	Name	Account Number	Fee Paid By	Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input checked="" type="checkbox"/>	1783	—	This Account	<input checked="" type="checkbox"/>	01/30/2016	MM/DD/YYYY
<input checked="" type="checkbox"/>	564787143 - ROLLOVER IRA	564787143	1783	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>	BINOY	123456789	1783	<input checked="" type="checkbox"/>		

3. Click **Save**.

To assign each account a percentage of the bill, do the following:

1. From the **Fee Allocation** drop-down menu, choose **Select With Account Pays**. The Fee Paid By column is added to the Accounts area.
2. For each account, make a **selection** from the **Fee Paid By** drop-down menu.

Include in Billing Calculation	Name	Account Number	Fee Allocation %	Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input checked="" type="checkbox"/>	1783	—	60.00	<input checked="" type="checkbox"/>	01/30/2016	MM/DD/YYYY
<input checked="" type="checkbox"/>	564787143 - ROLLOVER IRA	564787143	20.00	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>	BINOY	123456789	20.00	<input checked="" type="checkbox"/>		

Total 100.00

In some cases you may want to apply an ongoing fee discount percentage to a client or individual account. For example, you assign a management fee with a 1% annual fee percentage to the client, then enter a discount of 25 basis points. The result? Your client will be charged .75% annually.

Before entering a fee discount percentage, select the appropriate fee calculation methodology.

- To apply a discount at the client level, select Client Aggregate.
- To apply a discount at the individual account level, select individual Account.

Edit Billing Settings: ABEL COLEBROOK						
Client's Management Fee Setting			Fee Discount % (Optional)			
Use User Default Settings			0.25			
Fee Calculation Methodology	Fee Allocation	Fee Discount % (Optional)				
Client Aggregate	% to Each Account	0.25				

Edit Billing Settings: ABEL COLEBROOK						
Client's Management Fee Setting			Fee Discount % (Optional)			
Use User Default Settings			0.25			
Fee Calculation Methodology	Fee Allocation	Fee Discount % (Optional)				
Individual Account	% to Each Account	0.25				
Accounts						
Include in Billing Calculation	Name	Account Number	Management Fee Setting	Discount % (Optional)	Fee Allocation %	Start Billing After 1st Transaction
<input checked="" type="checkbox"/>	1783	—	Use Client Default Settings	0.25	60.00	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	564787143 - ROLLOVER IRA	564787143	Use Client Default Settings	0.00	20.00	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	BIN0Y	123456789	Use Client Default Settings	0.00	20.00	<input checked="" type="checkbox"/>
Billing Start Date: 01/30/2016 MM/DD/YYYY						

To exclude an account from billing calculations, in the Edit Billing Settings box, click the slide next to the account you want to exclude.

## How do I apply a discount to a client or account?

## How do I exclude an account from billing?

Edit Billing Settings: ABEL COLEBROOK						
Client's Management Fee Setting			Fee Discount % (Optional)			
Use User Default Settings			0.00			
Fee Calculation Methodology	Fee Allocation	Fee Discount % (Optional)				
Client Aggregate	% to Each Account	0.00				
Accounts						
Include in Billing Calculation	Name	Account Number	Management Fee Setting	Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input checked="" type="checkbox"/>	1783	—	60.00	<input checked="" type="checkbox"/>	01/30/2016	MM/DD/YYYY
<input checked="" type="checkbox"/>	564787143 - ROLLOVER IRA	564787143	20.00	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>	BIN0Y	123456789	20.00	<input checked="" type="checkbox"/>		
Total 100.00						

## Calculating Management Fees

After creating management fees and assigning billing settings to clients, you can then calculate fees. This section describes how to calculate billing fees.

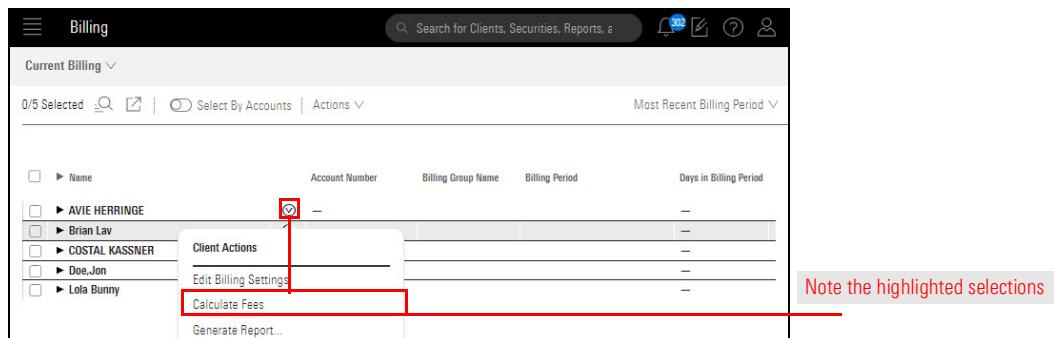
In this section, you will learn how to do the following:

- ▶ calculate billing fees ([page 33](#))
- ▶ calculating billing fees for new clients in advance immediately ([page 34](#))
- ▶ view historical management fees ([page 36](#))
- ▶ export billing data to Microsoft® Excel® ([page 37](#))
- ▶ include or exclude multiple accounts from the billing calculations ([page 38](#)), and
- ▶ learn if an account is excluded from aggregation ([page 39](#)).

When calculating fees, simply select a billing period and Morningstar Office Cloud takes care of the rest.

To calculate fees, do the following:

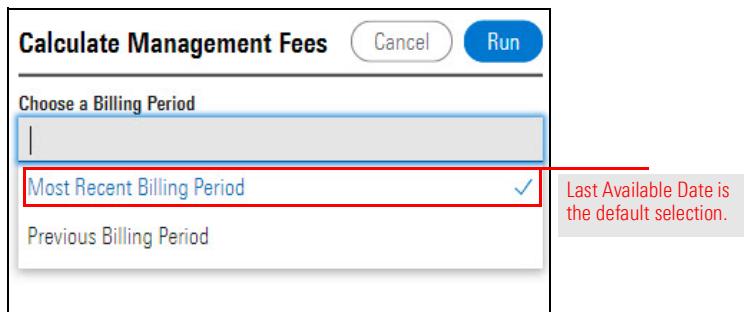
1. On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed to the right of the client name.
2. Click the **Actions** icon to display the Actions menu.
3. From the **Actions** menu, select **Calculate Fees**. The Calculate Fees dialog box opens.



### Overview

### How do I calculate billing fees?

4. From the **Choose a Billing Period** menu, select **Most Recent Billing Period** or **Previous Billing Period**, then click **Run**.



5. On the **Billing** page, you can see the results of the calculations.

	Name	Account Number	Effective Rate%	Fee Data Date	Fee Amount USD	Billed By	Billed
<input type="checkbox"/>	► Name						
<input type="checkbox"/>	▼ Alexander Hamilton		0.20	04/01/2019	4,643.57	—	2
	401K	—	0.20	04/01/2019	239.68	Client	
	IRA	—	0.20	04/01/2019	1,283.93	Client	
	Taxable	—	0.20	04/01/2019	3,119.95	Client	
<input type="checkbox"/>	► Anderson Family	—	—	—	—	—	—
<input type="checkbox"/>	Baker Household	—	—	—	—	—	—

When billing clients in advance, you can bill new accounts immediately. New accounts must be added during the current billing cycle that you are billing in or the previous billing cycle, and a management fee set to bill in advance must be assigned to the new account.

To identify accounts that were added during the previous billing cycle, from the View by Billing period menu, change the **View By Billing Period** menu to **Previous Billing Period**. In the Billing Start Date column, note any accounts marked as New.

### How can I calculate fees for new accounts in advance immediately?

	Name	Account Number	Setting	Fee Disclosure	Account Management Calculation	Billing Start Date	Advisor Name
<input type="checkbox"/>	▼ Albert Einstein	1234567	Setting	Fees Deductible	Include	—	Bryan Miller
	Albert Einstein	1234567	Setting	Fees Deductible	Include	09/02/2016	Bryan Miller
	Alice Einstein	34564	Setting	Fees Deductible	Include	09/02/2016	Bryan Miller
	Free Money (Excluded from aggregate)	—	Setting	Fees Deductible	Exclude	08/29/2018	Bryan Miller
	Hans Albert Einstein	8904537	Setting	Fees Deductible	Include	01/02/2009	Bryan Miller
	Martha Einstein	29785523	Setting	Fees Deductible	Include	10/02/2008	Bryan Miller
<input type="checkbox"/>	▼ Alexander Hamilton	—	Setting	My New Disclosure	—	—	Natalie Pace
	401K	—	Setting	My New Disclosure	Exclude	03/18/2009	Natalie Pace
	IRA	—	Setting	My New Disclosure	Include	05/11/2011	Natalie Pace
	Taxable	—	Setting	My New Disclosure	Include	05/06/2010	Natalie Pace
<input type="checkbox"/>	▼ Bayly Family	—	Setting	—	—	—	The Advisor
<input type="checkbox"/>	▼ Haba Family	—	Setting	—	—	—	The Advisor
	Chris Haba Individual	84678468	Setting	—	Include	10/29/2004	The Advisor
	Current Account	—	Setting	—	Exclude	—	The Advisor
	Haba - Schwab Stock Portfolio	65465464	Setting	—	Include	04/27/2012	The Advisor
	VA	123458	Setting	—	Include	07/04/2008	The Advisor

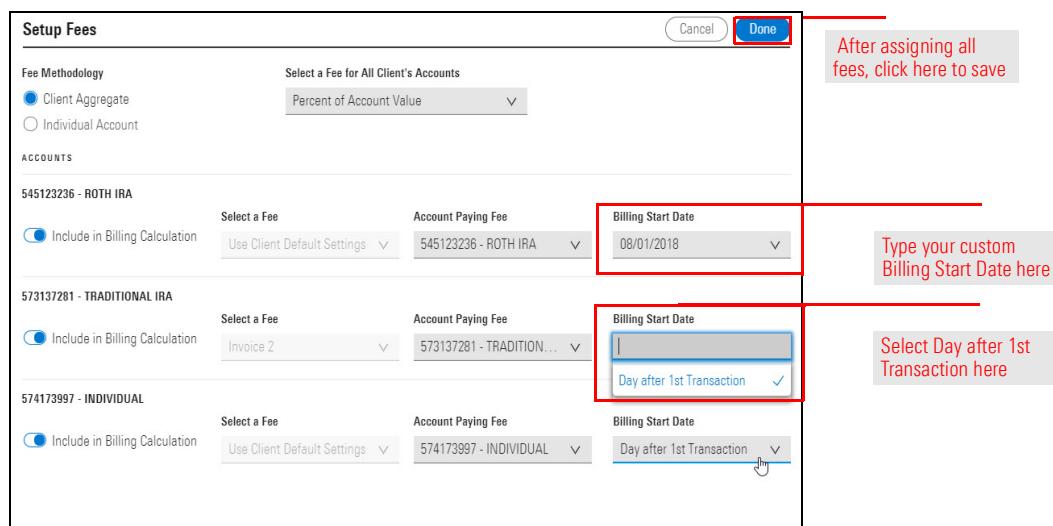
☞ Note: Review [Creating Management Fees on page 6](#) to create a management fee billing in advance.

After assigning a billing in advance management fee, complete the following two steps to bill a new account immediately:

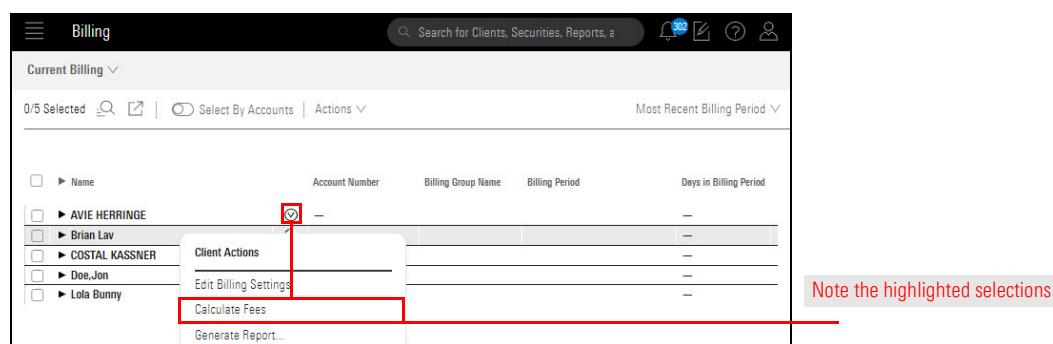
- ▶ assign a billing start date within Setup Fees; and
- ▶ select Bill immediately on new account within Calculate Fees.

To bill a new account in advance immediately, do the following:

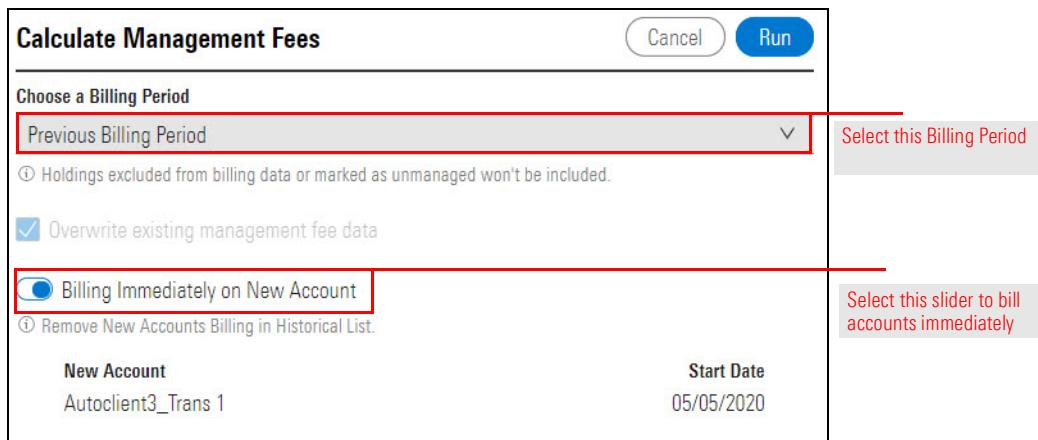
1. For each account, From the **Billing Start Date** field, select **Day after 1st Transaction** or type a custom **Start Date**.



2. Click **Done**.
3. On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed.
4. Click the **Actions** icon to display the Actions menu.
5. From the **Actions** menu, select **Calculate Fees**. The Calculate Management Fees window opens.



6. From the **Choose a Billing Period** drop-down menu, select **Previous Billing Period**.
7. Slide the **Billing Immediately on New Account** slider to activate.



Note: The new account will be noted within the Calculate Management Fees window.

8. Click **Run**.

When you calculate fees, they apply to only the current period. However, you can view prior management fees on the Billing page.

### How do I view historical management fees?

To view historical management fees, at the top of the Billing page, click **Billing History**. The prior date management fees are displayed. You can also filter for fee types, using the filter panel on the right side of the screen.

**Billing History**

Client	Billing Type	Date	Billable Balance	Effective Rate
9XX	Management Fee	06/30/2019	799,525.33	0
9XXXX4562	Management Fee	03/31/2019	719,669.33	0
9XXXX6911	Management Fee	06/30/2019	27,315.17	0
9XXXX6911	Management Fee	03/31/2019	26,848.82	0
9XXXX6986	Management Fee	06/30/2019	179,935.75	0
9XXXX6986	Management Fee	03/31/2019	176,753.00	0
9XXXX8787	Management Fee	06/30/2019	217,619.05	0
9XXXX8787	Management Fee	03/31/2019	213,612.43	0
Albert Einstein	Management Fee	06/30/2019	2,892,869.28	0
Albert Einstein	Management Fee	03/31/2019	2,404,371.53	0
Alexander Hamilton	Management Fee	06/30/2019	2,386,536.29	0
Alexander Hamilton	Management Fee	04/01/2019	2,309,906.50	0
Alexander Hamilton	Management Fee	03/31/2019	2,309,906.50	0
Alexander Hamilton	Adjustment	01/31/2019	—	
Alexander Hamilton	Adjustment	01/31/2019	—	
Alexander Hamilton	Adjustment	01/20/2019	—	

**Filter**

**Name**: Search for clients, groups, & accounts

**Date Range**: MM/DD/YYYY to MM/DD/YYYY

**Billing Type**: Management Fee, Adjustment, Billable Services, Service Charge, Payments

**Billing Level**

**Click here to view historical management fees.**

**Filter for historical fees using the criteria here**

At times, you might want to export a client's or account's billing view to Microsoft® Excel® so that you can download, print, or share the information.

## How can I export billing data to Microsoft Excel?

To export a billing view, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.
2. At the upper-left corner of the window, select either **Current** or **Historical**.
3. In the Actions for area, select **Clients** or **Accounts**.
4. Select an **account** or **client** by clicking the **checkbox** at the beginning of its row.

Note the highlighted selections.

Name	Account Number
9XXXX4562	—
9XXXX6911	—
9XXXX6986	—
9XXXX6986	—

5. Click the **Export All** icon. The Save As window opens.

Click the Export icon to export the current or historical billing view for the selected client or account.

Name	Account Number
9XXXX4562	—
9XXXX6911	—
9XXXX6911	—
9XXXX6986	—
9XXXX6986	—

6. **Navigate** to a location on your system to save the exported file and click **Save**.

You can include or exclude multiple accounts from the billing calculations.

Do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.
2. At the upper-left corner of the window, make sure **Current** is selected.
3. In the Actions for area, select **Accounts**.
4. Select **accounts** by clicking the **checkbox** at the beginning of row of an account to be included or excluded.

☞ Note: The accounts can be from different clients.

The screenshot shows the 'Billing' page with the 'Current Billing' dropdown set to 'Current'. The 'Select By Accounts' button is also highlighted. A list of accounts is displayed, with several checkboxes checked, indicating selected accounts.

Name	Account Number
9XXXX4562	—
9XXXX4562	9XXXX4562
9XXXX6911	—
9XXXX6911	9XXXX6911
9XXXX6986	—
9XXXX6986	9XXXX6986

Note the highlighted selections.

5. From the **Action** menu, select **Include in Billing Calculation**.
6. From the **Include in Billing Calculation** menu, select **Yes** (to include) or **No** (to exclude).

The screenshot shows the 'Billing' page with the 'Edit Settings' button highlighted. A callout box shows the 'Management Fee Calculation' section, which includes a 'Management Fee Setting' section and an 'Apply Changes' button. A separate callout box shows the 'Include in Billing Calculation' menu with 'Yes' selected.

Name	Account Number
9XXXX4562	—
9XXXX4562	9XXXX4562
9XXXX6911	—
9XXXX6911	9XXXX6911
9XXXX6986	—
9XXXX6986	9XXXX6986

Note the highlighted selections.

You can learn if an account is excluded from client aggregation without leaving the Clients & Accounts area.

Do the following:

1. In the Clients & Accounts workbook, select the **Overview** worksheet.
2. From the Clients Grid, select a **client**.
3. In the Account Analysis component, **scroll right** to view the new column, Excluded from Client Aggregation.

☞ Note: If the account is excluded from aggregation in the desktop version of Morningstar<sup>SM</sup> Office, it is grayed out in Morningstar Office Cloud.

### How can I learn if an account is excluded from client aggregation?

Active Clients

Name
9XXXX6911
9XXXX6911
9XXXX6986
9XXXX6986
9XXXX8787
Albert Einstein
Alexander Hamilton

Account Analysis - 06/30/2019

Name	Yr	Since Inception	Inception Date	Exclude from Client Aggregate
9XXXX6911	—	-0.44	08/10/2018	—
1 9XXXX6911	—	-0.44	08/10/2018	No

Grayed-out accounts were excluded from aggregation in the desktop version of Morningstar Office.

## Generating Billing Reports

Whether you choose to bill your client by invoice, or to have fees deducted from a custodian account, you can easily generate client bills and custodian files. You can also validate whether your client holds enough cash to cover the bill.

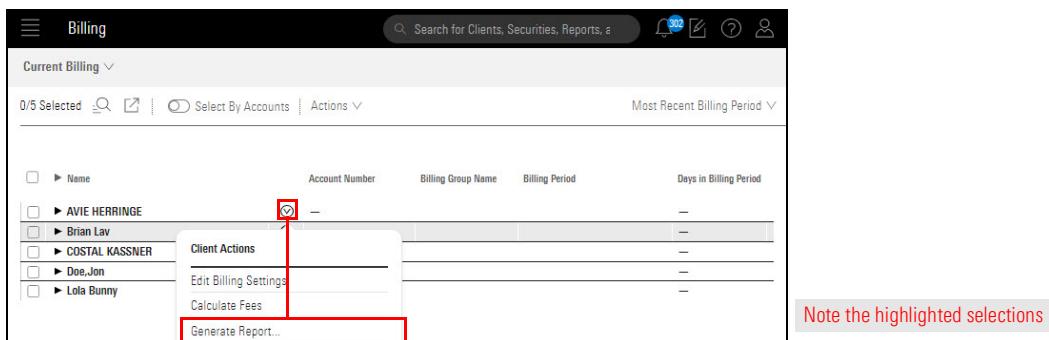
In this section, you will learn how to do the following:

- ▶ generate a Client Billing Summary Report ([page 40](#))
- ▶ generate a Custodian Fee Report ([page 42](#)), and
- ▶ generate an Insufficient Cash Accounts report. ([page 43](#)).

A Client Billing Summary Report is a bill that you send to the client, who is then responsible for paying it.

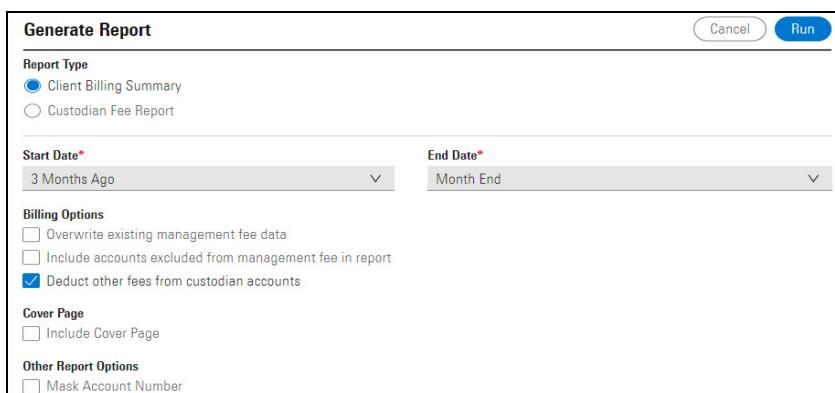
To generate a Client Billing Summary Report, do the following:

1. On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed.
2. Click the **Actions** icon, then from the **Actions** menu, select **Generate Reports > Client Billing Summary**. The Client Billing Summary dialog box opens.



3. Select from the **options** for the following:

- ▶ Report Type
- ▶ Cover Page
- ▶ Start Date, and
- ▶ End Date.



## Overview

### How do I generate a Client Billing Summary Report?

4. Click **Run**. The report displays in a separate tab once it is finished running.
- ☞ Note: You must have your pop-up blockers turned off in order to view the report immediately.
5. From the **Menu**, select **Reports** to view the report from inside Morningstar Office Cloud.
6. On the Reports page, click the **client name** to view the report. The report opens as a PDF in a new browser window or tab.
7. Your report is displayed at the top of the list. Click the **report name** to view it. A PDF of the report opens in a new browser tab or window.

The latest Billing Summary will appear here

Printed on 4/10/2018

**Billing Summary** Page 1 of 1

1/1/2018 - 3/31/2018 AMITA MONIE

Report Currency: USD

AMITA MONIE  
340 COBEK COURT  
MCKINNEY, ID 33609

**Billing Details**

Management Fees	Billable Balance	Period Effective Rate (%)*	Billing Date	Amount
Quarterly management fee for 3/31/2018	12,008.54	0.499978	3/31/2018	60.04
	From 0.00	to 12,008.54	Annual Rate (%) 2.0000	Amount 60.04
			Management Fee	60.04

---

Account Name	Account Owner	Account Number	Market Value	Billable Balance	Amount
Quarterly management fee for 3/31/2018					
545123236 - ROTH IRA	MONIE, AMITA	545123236	198.32	2,356.17	11.78
573137281 - TRADITIONAL IRA	MONIE, AMITA	573137281	1,148.02	3,485.95	17.43
574173997 - INDIVIDUAL	MONIE, AMITA	574173997	1,764.01	6,166.42	30.83

**Total Amount** 60.04

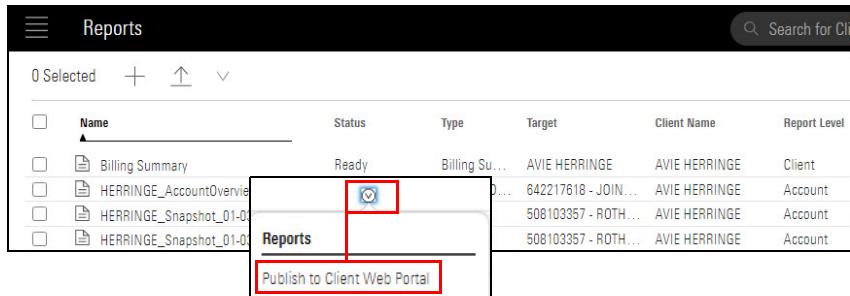
---

The following amount(s) will be debited from your account(s):

Account Name	Account Owner	Account Number	Amount
545123236 - ROTH IRA	MONIE, AMITA	545123236	11.78
573137281 - TRADITIONAL IRA	MONIE, AMITA	573137281	17.43
574173997 - INDIVIDUAL	MONIE, AMITA	574173997	30.83

**Total Balance Due** 0.00

8. To send the report to the client, do one of the following:
  - Download the **PDF** and send it to the client via email, or
  - On the Reports page, **hover the cursor** over the **client's row**, then from the **Actions** menu, select **Publish to Client Web Portal**.



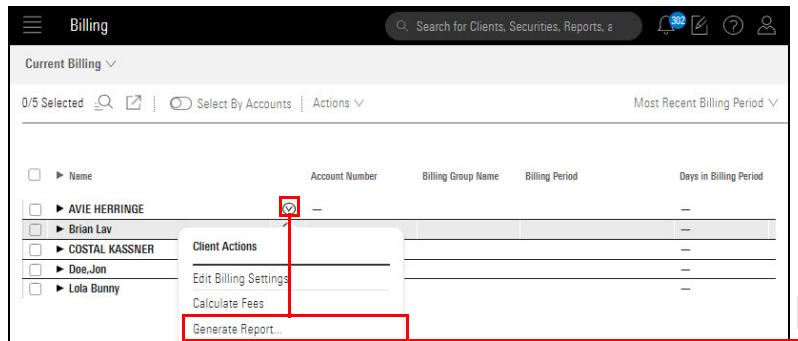
Note the highlighted selections

A Custodian Fee Report is a notice that is sent to the custodian, informing her that the fee is about to be deducted.

### How do I create a Custodian Fee Report?

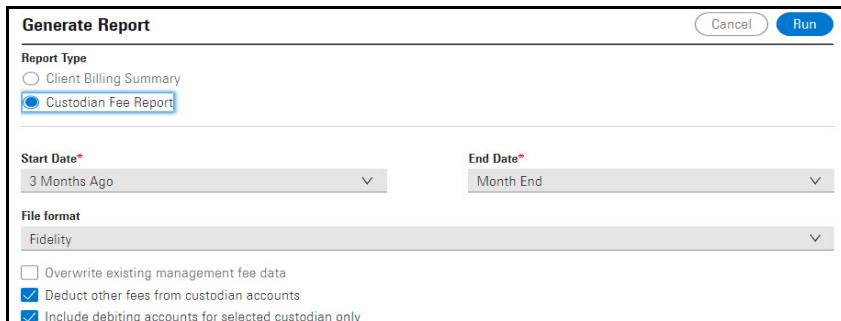
To create a Custodian Fee Report, do the following:

1. On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed.
2. Click the **Actions** icon, then from the **Actions** menu, select **Generate Reports > Custodian Fee Report**. The Custodian Fee dialog box opens.



Note the highlighted selections

3. Select from the **options** for the following:
  - Start Date
  - End Date, and
  - File format.



The default options are shown here.

4. Click **Run**. The Custodian Fee dialog box opens.

- Download each **Custodian Fee Report**, and **save** it to your local drive.



- Click **Close**.
- Follow instructions from your custodian website to upload the fee report.

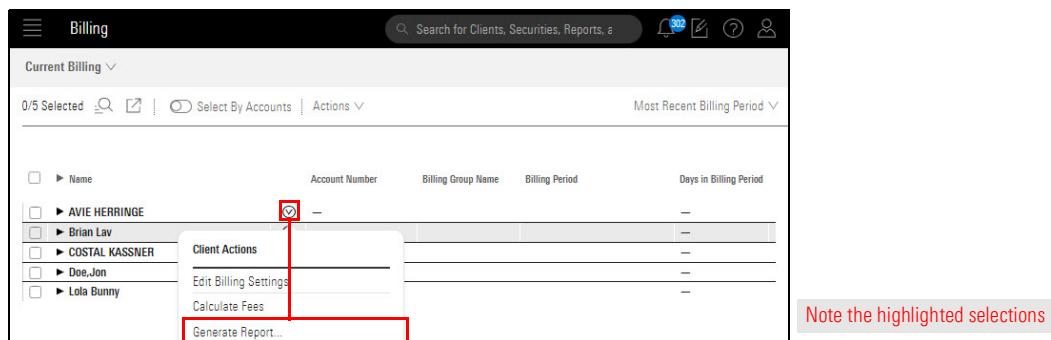
To ensure that an individual client or group holds enough to cash to deduct management fees from custodian accounts, run the Insufficient Cash Account report. This report can be run at the practice, group and individual client level.

### How do I create the Insufficient Cash Accounts report?

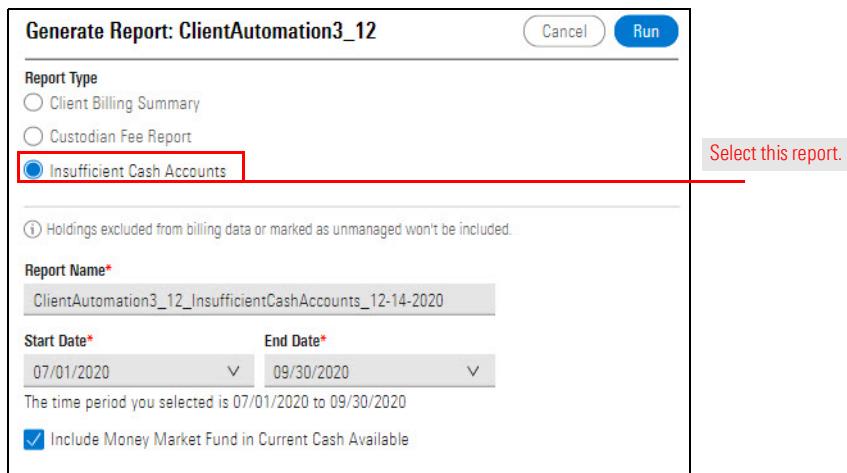
 Note: For instructions on running the Insufficient Cash Accounts report at the practice level, review [How do I generate practice level billing reports? on page 66](#).

To run the Insufficient Cash Accounts report for a client, do the following:

- On the Billing page, **hover the cursor** over the row of a **client**. The Actions icon is displayed.
- Click the **Actions** icon, then from the **Actions** menu, select **Generate Reports**. The Generate Report dialog box opens.



3. From **Report Type**, select **Insufficient Cash Accounts**. In the Report Name field, enter a **name** for the report. (optional)
4. Select from the **options** for the following:
  - Start Date
  - End Date, and
  - Include Money Market Fund in Current Cash Available.

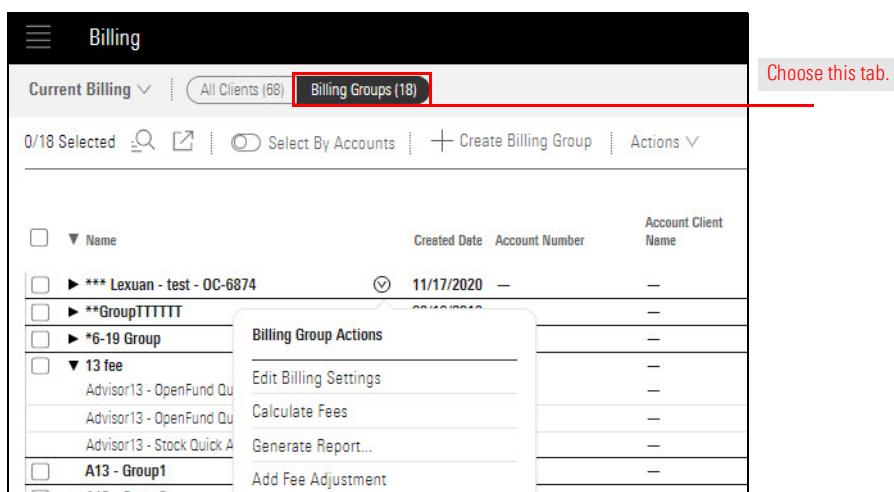


5. Click **Run**.

To run the Insufficient Cash Account report at the Group level, do the following:

1. On the Billing page header, select **Billing Groups**.
 

☞ Note: This tab is only available if you have previously created Billing Groups. For instructions on creating Billing Groups, review [Billing by Groups on page 45](#)
2. **Hover the cursor** over the row of a **group**. The Actions icon is displayed.
3. Click the **Actions** icon, then from the **Actions** menu, select **Generate Reports**. The Generate Report dialog box opens.



4. Follow steps **3 through 6** above.

## Billing by Groups

In some cases, you may want to combine accounts from separate households together into a group, then bill on the group as a whole. For example, you may have a family of clients who want to calculate account performance at the household level, but want to bill all households together to take advantage of the lower breakpoint.

### Overview

This section describes how to complete the following tasks:

- ▶ create a billing group
- ▶ assign settings to billing group, and
- ▶ complete the billing process.

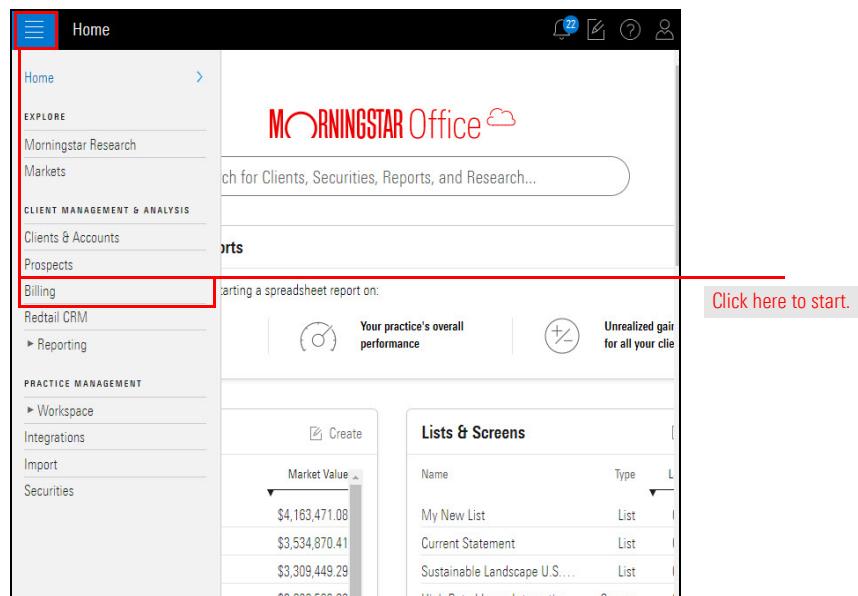
When creating a billing group, you must complete the following three steps:

1. Select the accounts you want to include in the bill.
2. Name the billing group, and
3. Assign a billing owner. The billing owner will receive the billing summary if posted the Client Web Portal.

### How do I create a billing group?

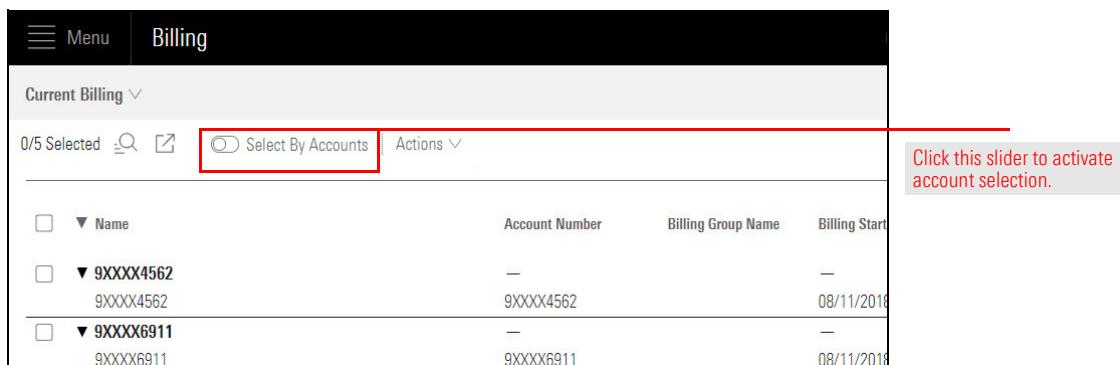
To create a billing group, do the following:

1. From the **menu**, select **Billing**. The Billing page opens.



The screenshot shows the Morningstar Office Cloud interface. The left sidebar has a menu with several options: Home, EXPLORE (Morningstar Research, Markets), CLIENT MANAGEMENT & ANALYSIS (Clients & Accounts, Prospects, Billing), PRACTICE MANAGEMENT (Retail CRM, Reporting, Workspace, Integrations, Import, Securities). The 'Billing' option is highlighted with a red box. The main content area shows the 'Morningstar Office' logo and a search bar. Below the search bar are two circular icons: one for 'Your practice's overall performance' and another for 'Unrealized gains for all your clients'. A red box highlights the 'Billing' menu item. A call-to-action button 'Click here to start.' is visible in the bottom right of the main area. The bottom right corner of the sidebar also has a red box.

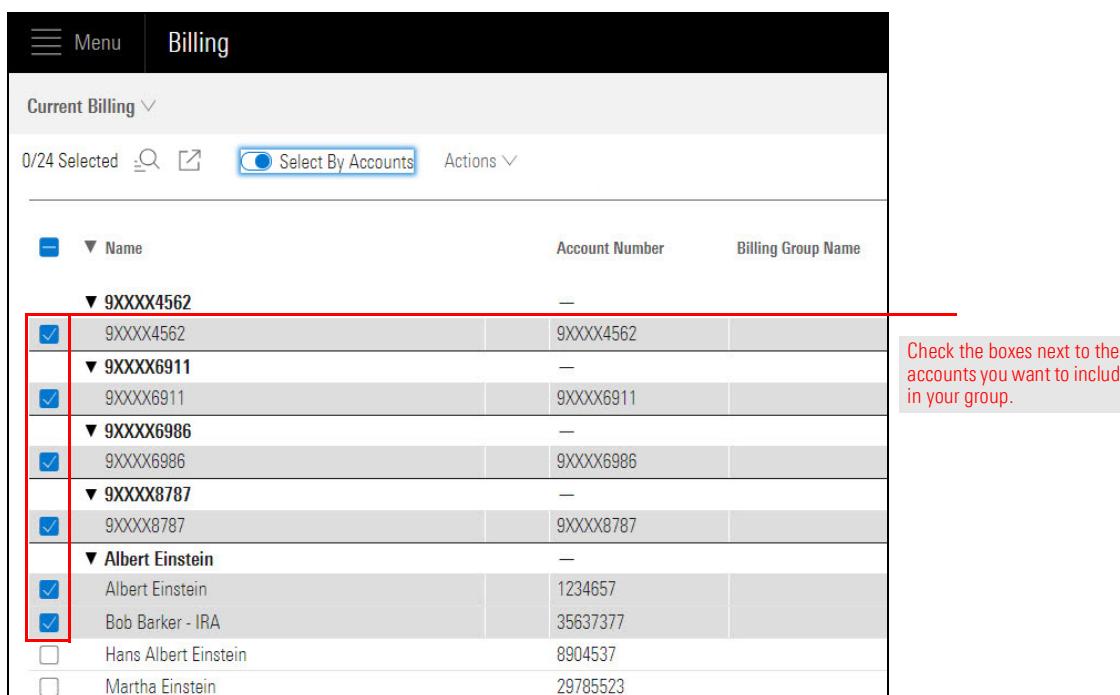
2. On the header, click the **slider** next to **Select by Accounts**.



The screenshot shows the 'Billing' interface with a 'Select By Accounts' slider highlighted by a red box. A callout bubble to the right of the slider says: 'Click this slider to activate account selection.'

Name	Account Number	Billing Group Name	Billing Start
9XXXX4562	9XXXX4562	—	08/11/2018
9XXXX6911	9XXXX6911	—	08/11/2018

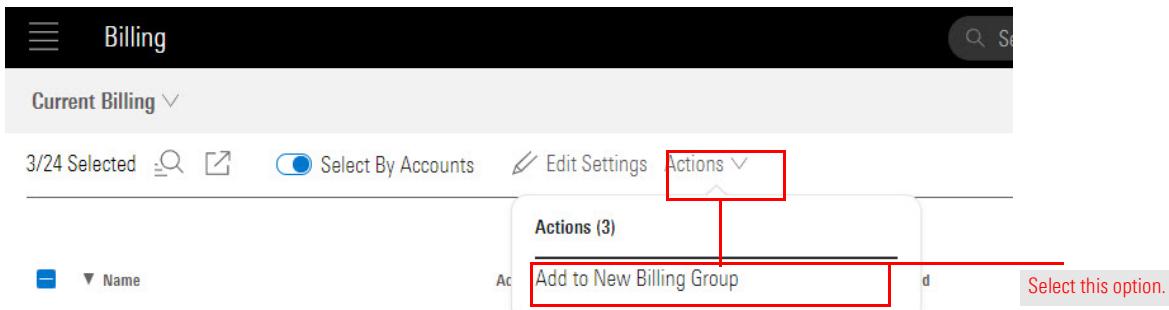
3. Select the **accounts** you want to include in the billing group.



The screenshot shows the 'Billing' interface with multiple accounts selected for inclusion in the group. A red box highlights the 'Select By Accounts' slider, which is now blue, indicating it is active. Another red box highlights the first account in the list, which has a checked checkbox. A callout bubble to the right says: 'Check the boxes next to the accounts you want to include in your group.'

Name	Account Number	Billing Group Name
9XXXX4562	9XXXX4562	—
9XXXX6911	9XXXX6911	—
9XXXX6986	9XXXX6986	—
9XXXX8787	9XXXX8787	—
Albert Einstein	—	—
Albert Einstein	1234657	—
Bob Barker - IRA	35637377	—
Hans Albert Einstein	8904537	—
Martha Einstein	29785523	—

4. From the header, select the **Action** menu. Then select **Add to New Billing Group**. The Create a Billing Group box opens.



5. **Add or remove** any accounts from the billing group.  
 6. In the **Billing Group Name** field, type the **name** of the billing group.  
 7. Click **Assign a Group Owner**. A box opens.

**Create a Billing Group**

Choose accounts from the list below to add to this billing group. To share reports run on this group, you'll need to assign a client as the Group Owner.

**Billing Group Name\* Required**

Einstein Family

**+ Assign a Group Owner**

Account Name Client Name

1 9XXXX4562	9XXXX4562	X
2 9XXXX6911	9XXXX6911	X
3 9XXXX6986	9XXXX6986	X
4 9XXXX8787	9XXXX8787	X
5 Albert Einstein	Albert Einstein	X
6 Bob Barker - IRA	Bob Barker - IRA	X

**Enter a Billing Group name here.**

**Click here to assign a group owner.**

**Check these boxes to add or uncheck boxes remove accounts from the group.**

Search for Clients or Accounts

Name Account Number Account Owner Account Type Open E

9XXXX8787	9XXXX8787	Last Name	Taxable
Albert Einstein	1234567	Einstein, ...	Taxable
Bob Barker - IRA	35637377	Einstein, ...	Taxable
Hans Albert Einstein	8904537	Einstein, ...	Traditional
Martha Einstein	29785523	Einstein, ...	SEP IRA
Alexander Hamilton		Hamilton, ...	Taxable
401K		Hamilton, ...	Taxable
IRA		Hamilton, ...	Taxable
Taxable		Hamilton, ...	Taxable

8. In the search field, type the name of **client** you want to assign as group owner. Then click **Assign**.

**Create a Billing Group**

Choose accounts from the list below to add to this billing group. To share reports run on this group, you'll need to assign a client as the Group Owner.

**Billing Group Name\* Required**

Einstein Trust

**+ Assign a Group Owner**

Account Name Client Name

1 9XXXX4562	9XXXX4562	X
2 9XXXX6911	9XXXX6911	X
3 9XXXX6986	9XXXX6986	X
4 9XXXX8787	9XXXX8787	X
5 Albert Einstein	Albert Einstein	X
6 Bob Barker - IRA	Bob Barker - IRA	X

**Search for a group owner here.**

Search to assign a client to this billing group.

Albert Einstein

**Cancel** **Assign**

9. Click **Save**.

After you create your first billing group, a separate billing group tab appears on the billing header. To assign settings to the billing group, do the following:

1. From the header, click Billing Groups.
2. Hover over the group you want to assign settings to. Then click the **Actions ... Edit Billing Settings**. The Edit Billing Settings dialog box opens.

The screenshot shows the 'Billing' interface with the 'Billing Groups' tab selected. A context menu is open for a group named 'Test Group'. The 'Edit Billing Settings' option is highlighted with a red box. A callout box on the right says 'Search for a group owner here.'

3. Follow the same steps to assign settings as you would for an individual household. See [Assigning Management Fees on page 24](#) for instructions.

The screenshot shows the 'Edit Billing Settings: Billing Group 1' dialog box. A red box highlights the 'Group's Management Fee Setting' section. A callout box on the right says 'Notice that settings option here require you to assign at the group rather than client level.'

In some cases, you may want an outside account to cover the management fees for a group. First, you must add the outside account to the group, then assign fee allocation. Do the following:

1. In the **Edit Billing Settings** window, from the **Fee Allocation** drop-down menu, select **% to each account**.

**Edit Billing Settings: Billing Group 1**

Group's Management Fee Setting: None

Fee Calculation Methodology: Group Aggregate

Fee Allocation: % to Each Account (highlighted with a red box)

Fee Discount % (Optional): 0.00

Add Accounts to Fee Allocation: Search for Accounts

**Accounts**

Include in Billing Calculation	Name	Account Number	Fee Allocation %	Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input type="radio"/>	401K	—	0.00	<input checked="" type="radio"/>	09/02/2016	MM/DD/YYYY
<input checked="" type="radio"/>	Alice Einstein	34564	0.00	<input checked="" type="radio"/>	04/27/2012	MM/DD/YYYY
<input checked="" type="radio"/>	Habu - Schwab Stock Portfolio	65465464	0.00	<input checked="" type="radio"/>	01/02/2008	MM/DD/YYYY
<input checked="" type="radio"/>	Hans Albert Einstein	8904537	0.00	<input checked="" type="radio"/>	01/02/2008	MM/DD/YYYY

Total 0.00

2. Click inside the **Add Account to Fee Allocation** search box. A drop-down menu opens.
3. From the drop-down menu, select the **account** you want to add. The account is added to the Accounts area. Click off the menu to close.

**Edit Billing Settings: Billing Group 1**

Group's Management Fee Setting: None

Fee Calculation Methodology: Group Aggregate

Fee Allocation: % to Each Account

Fee Discount % (Optional): 0.00

Add Accounts to Fee Allocation: Search for Accounts

**Accounts**

Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input checked="" type="radio"/>	09/02/2016	MM/DD/YYYY
<input checked="" type="radio"/>	04/27/2012	MM/DD/YYYY
<input checked="" type="radio"/>	01/02/2008	MM/DD/YYYY

Total 0.00

**ALBERT EINSTEIN'S ACCOUNTS**

- Albert Einstein
- Alice Einstein
- Free Money
- Hans Albert Einstein
- Martha Einstein

**ALEXANDER HAMILTON'S ACCOUNTS**

- 401K

4. In the **Fee Allocation %** box for the outside account, type a **percentage**.

**Edit Billing Settings: Billing Group 1**

Group's Management Fee Setting: **None**

Fee Calculation Methodology: **Group Aggregate** Fee Allocation: **% to Each Account** Fee Discount % (Optional): **0.00**

Add Accounts to Fee Allocation:

**Accounts**

Include in Billing Calculation	Name	Account Number	Fee Allocation %	Start Billing After 1st Transaction	Billing Start Date	Billing End Date
<input type="radio"/>	401K	—	0.00	<input type="radio"/>	09/02/2016	MM/DD/YYYY
<input checked="" type="radio"/>	Alice Einstein	34564	0.00	<input checked="" type="radio"/>	04/27/2012	MM/DD/YYYY
<input checked="" type="radio"/>	Haba - Schwab Stock Portfolio	65465464	0.00	<input checked="" type="radio"/>	01/02/2008	MM/DD/YYYY
<input checked="" type="radio"/>	Hans Albert Einstein	8904537	0.00	<input checked="" type="radio"/>	MM/DD/YYYY	MM/DD/YYYY
<b>Albert Einstein</b> 1234657 <b>100.00</b>						
Total <b>100.00</b>						

Enter a fee percentage here.

5. Click **Save**.

Now that you've created a group and setup fees for the accounts within the group, calculate fees and generate reports using the same steps when completing billing for a client. Review [Calculating Management Fees on page 33](#) and [Generating Billing Reports on page 40](#) for instructions.

**How do I complete the billing process for a group?**

## Additional Billing Tasks

In some cases, you may need to perform additional billing tasks, such as adjusting a historical fee or excluding a security from management fees.

In this section, you will learn how to do the following:

- ▶ create a billing record ([page 51](#))
- ▶ create a manual management fee ([page 52](#))
- ▶ create a billable service ([page 54](#))
- ▶ create a service charge ([page 56](#))
- ▶ create a billing adjustment ([page 58](#))
- ▶ create a payment ([page 60](#))
- ▶ exclude a security from billing at the practice level ([page 62](#))
- ▶ exclude a security from billing at the account level, ([page 64](#))
- ▶ run practice level billing reports ([page 66](#))
- ▶ identify missing prices, and ([page 69](#))
- ▶ updating missing prices. ([page 71](#)), and
- ▶ split assets under management ([page 73](#)).

A Billing record is a billing activity that falls outside of the standard billing process. Billing records are created within the Billing History tab of the Billing page and include the following:

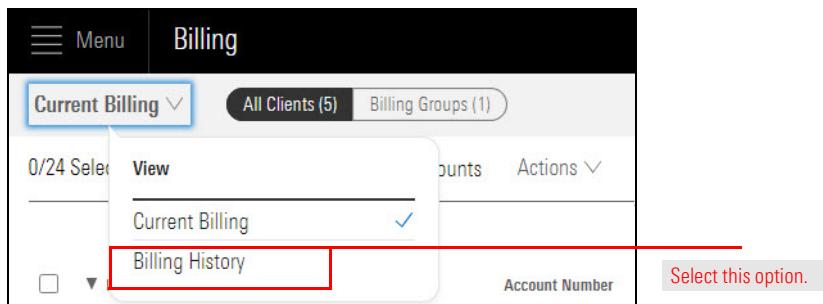
### Overview

### How do I create a billing record?

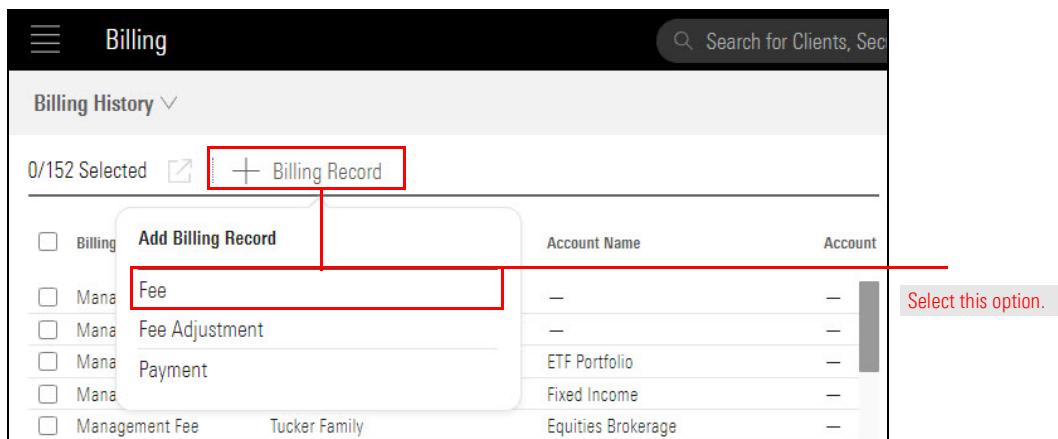
Billing record type	Billing record description
Fee	<p>There are two types of fees:</p> <ul style="list-style-type: none"> <li>▶ Management fee - allows you to manually create a management fee for accounts that are not billed regularly or require a unique billing circumstance.</li> <li>▶ Billable service - which allows you to track the number of hours worked for a client, and enter an hourly rate charged for this service. You can also apply a discount (by either percentage or dollar amount) to these charges</li> <li>▶ Service charge -which allows you to charge a flat fee for services you provide. You cannot apply a discount to a service charge.</li> </ul>
Fee Adjustment	Adjustments allow you to apply either a credit or a charge to a client's past management fees.
Payment	Payments are applied when a client remits a payment. This payment will be discounted from the Billing Summary generated during the period in which the payment is applied.

Certain circumstances may require that you create a management fee manually, such as charging an account a one-time fee. To create a manual management fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.
2. From the **View** drop-down menu on the header, select **Billing History**.



3. On the header, click the **Billing Record** button. Then select **Fee**. The Add Fee box opens.



4. From the **Fee Type** drop-down menu, select **Management Fee**.
5. From the **Apply to** area, select **Client, Account** or **Billing Group**.
6. In the **Search** bar, type the **name** of the client, account or group you wish to bill.
7. In the **Billing Date** field, enter the **date** you want to bill.
8. In the **Discount** field, choose whether you will apply a discount (optional).
9. In the **Description** text box, type a **description** of the **Management Fee**. This description will appear within the Billing Summary.

**Add Fee** Cancel **Save** \* Required fields

**Fee Type** Management Fee Select this option.

**Apply To\***  Client  Account  Billing Group

**Bob Smith** 🔍

**Billing Date\*** 04/21/2020

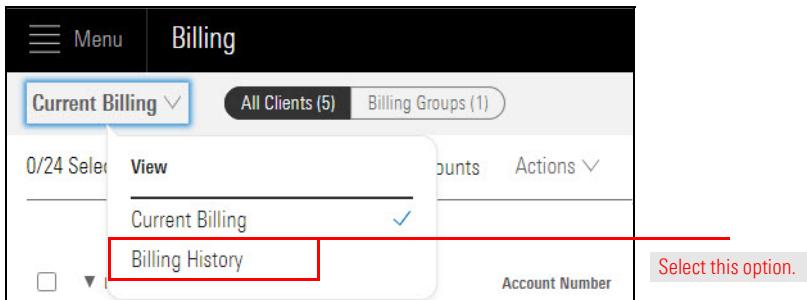
<b>Billable Balance \$*</b> <span style="border: 2px solid red; padding: 2px;">150,000.00</span>	<b>Effective Rate %*</b> <span style="border: 2px solid red; padding: 2px;">0.15</span>	<b>Amount \$</b> <span style="border: 2px solid red; padding: 2px;">225.00</span>
--	---	---

**Discount**  None  By Amount \$  By Percent %

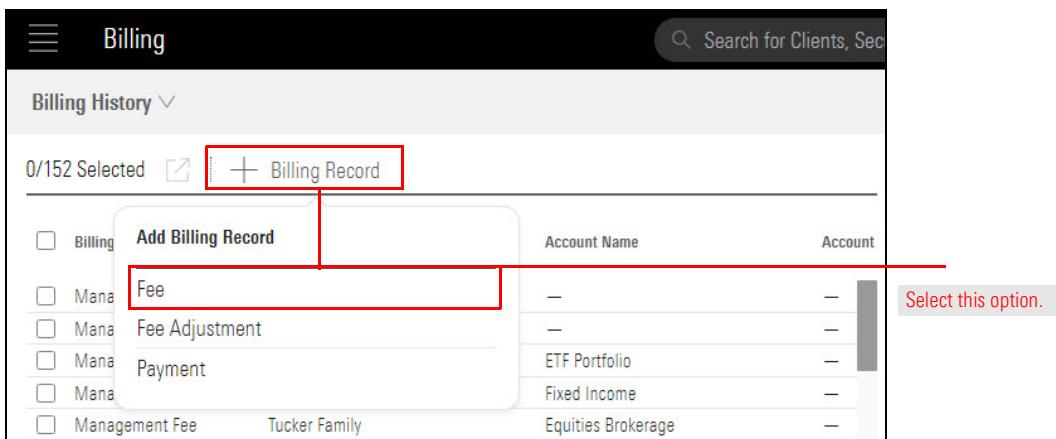
**Description\*** Management Fee Enter additional details here

Apply a billable service to charge for the hours worked for a client. You can also apply a discount by amount or percentage. To create a billable service fee, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.
2. From the **View** drop-down menu on the header, select **Billing History**.



3. On the header, click the **Billing Record** button. Then select **Fee**. The Add Fee box opens.



## How do I create a Billable Service?

4. From the **Fee Type** drop-down menu, select **Billable Service**.
5. From the **Apply to** area, select **Client, Account** or **Billing Group**.
6. In the **Search** bar, type the **name** of the client, account or group you wish to bill.
7. In the **Billing Date** field, enter the **date** you want to bill.
8. In the **Billable Hours** field, type the **number of hours** you are charging for.
9. In the **Hourly Rate** field, type the **rate** you want to charge.
10. In the **Discount** field, choose whether you will apply a discount (optional).
11. In the **Description** text box, type a **description** of the **Billable Service**. This description will appear within the Billing Summary.

**Add Fee**

Fee Type: Billable Service

Apply To: Client

Billing Date: 04/10/2020

Billable Hours: 5.00

Hourly Rate: 50.00

Amount \$: 250.00

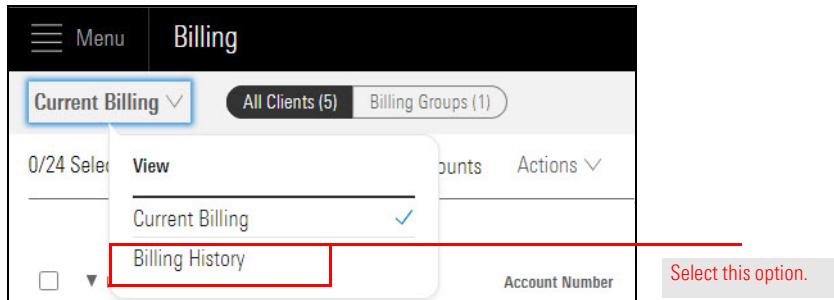
Discount: None

Description: Consultation Fees

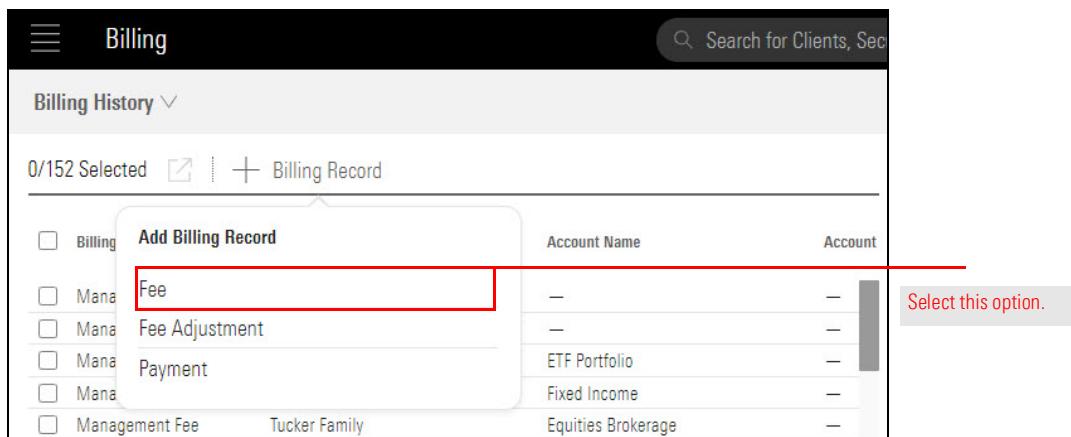
12. Click **Save**.

Create a service charge to apply a flat fee for a client. To create a service fee, do the following:

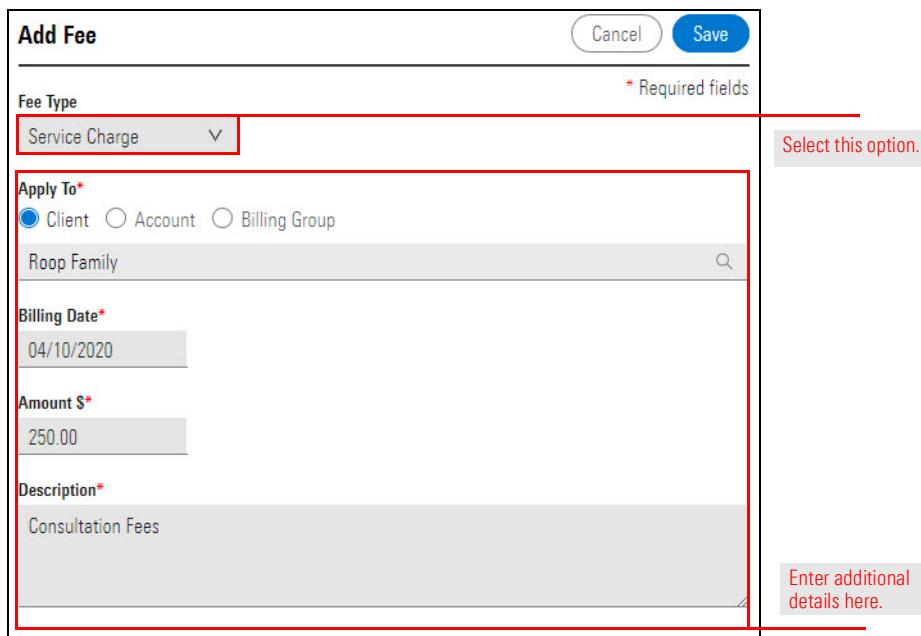
1. From the **Menu**, select **Billing**. The Billing page opens.
2. From the **View** drop-down menu on the header, select **Billing History**.



3. On the header, click the **Billing Record** button. Then select **Fee**. The Add Fee box opens.



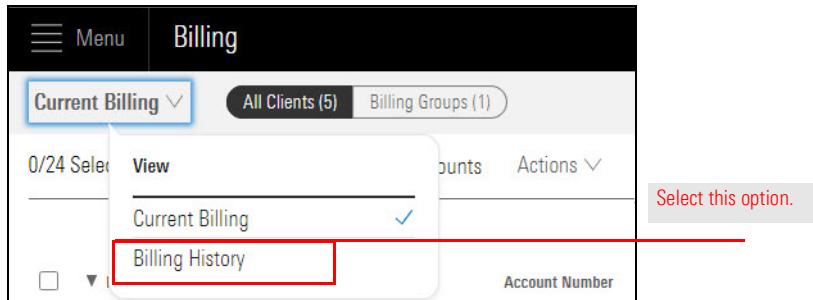
4. From the **Fee Type** drop-down menu, select **Service Charge**.
5. From the **Apply to** area, select **Client, Account** or **Billing Group**.
6. In the **Search** bar, type the **name** of the client, account, or group you wish to bill.
7. In the **Billing Date** field, enter the **date** you want to bill.
8. In the **Amount** field, type the **amount** you want to charge.
9. In the **Description** text box, type a **description** of the Service Charge. This description will appear within the Billing Summary.



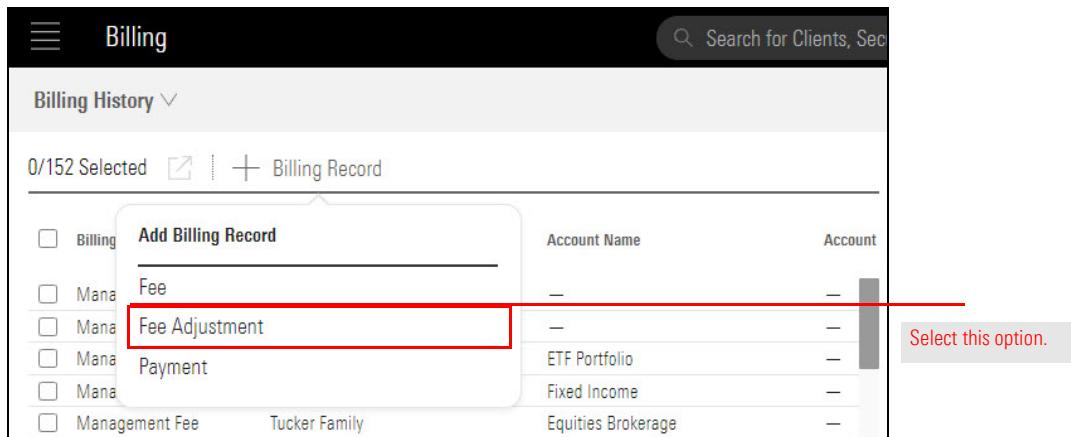
The screenshot shows the 'Add Fee' dialog box. At the top right are 'Cancel' and 'Save' buttons. A red box highlights the 'Fee Type' dropdown, which is set to 'Service Charge'. To the right of the dropdown, a note says '\* Required fields'. Another red box highlights the 'Apply To' section, which includes radio buttons for 'Client' (selected), 'Account', and 'Billing Group', and a search bar containing 'Roop Family'. A note to the right of this section says 'Select this option.' A third red box highlights the 'Billing Date' field, which contains '04/10/2020'. A fourth red box highlights the 'Amount \$' field, which contains '250.00'. A fifth red box highlights the 'Description\*' text area, which contains 'Consultation Fees'. A note to the right of this area says 'Enter additional details here.'

Adjust a fee by applying a credit or a charge to a management fee previously paid by a client. To create a billing adjustment, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.
2. From the **View** drop-down menu on the header, select **Billing History**.

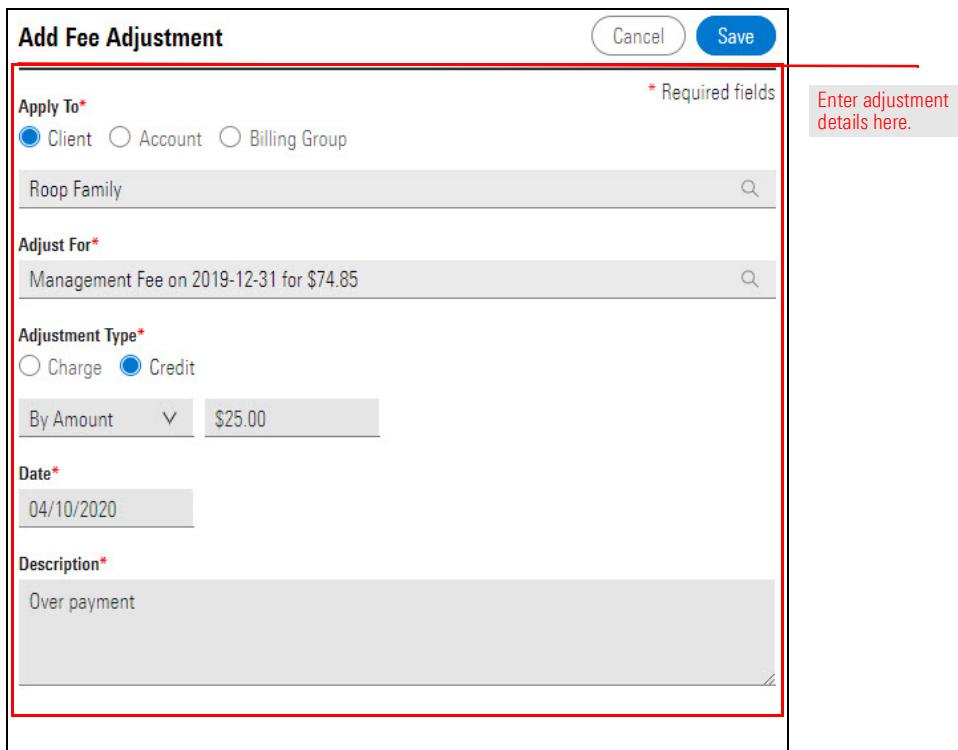


3. On the header, click the **Billing Record** button. Then select **Fee Adjustment**. The Add Fee Adjustment box opens.



## How do I create a billing adjustment?

4. From the **Apply to** field, select **Client, Account or Billing Group**.
5. In the **Search** bar, type the **name** of the client or account you wish to adjust for.
6. From the **Adjust For** field, select the **Management Fee** you wish to adjust.
7. From the **Adjustment Type** area, select **Charge** or **Credit**.
8. From the **drop-down menu**, select by **Amount or Percentage**. Then type the **figure** in the text box below.
9. From **Date**, type the **date** you want to post the adjustment.
10. In the **Description** text box, type a **description** of the adjustment.



**Add Fee Adjustment**

Cancel Save

Apply To\* \* Required fields

Client  Account  Billing Group

Roop Family

Adjust For\*

Management Fee on 2019-12-31 for \$74.85

Adjustment Type\*

Charge  Credit

By Amount \$25.00

Date\*

04/10/2020

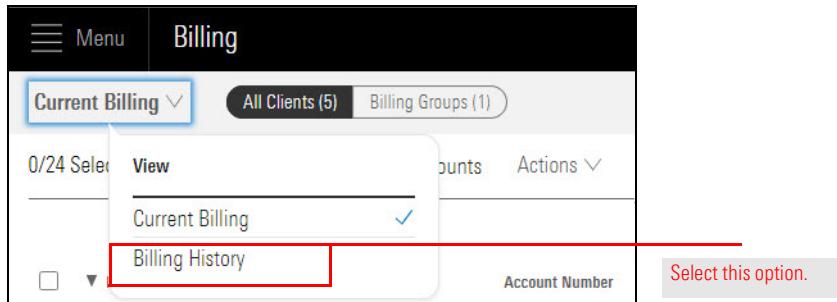
Description\*

Over payment

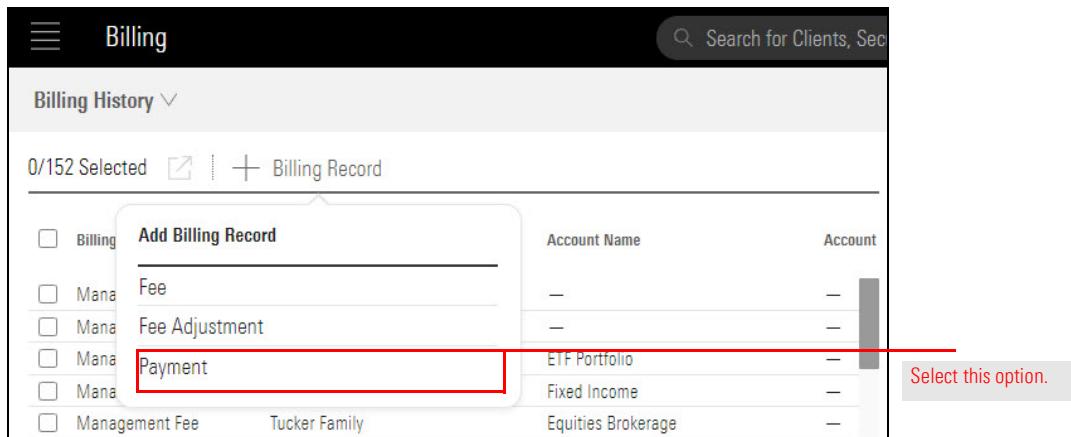
11. Click **Save**.

Create a payment when a client remits payment by credit card, cash, check or money order. To create a payment, do the following:

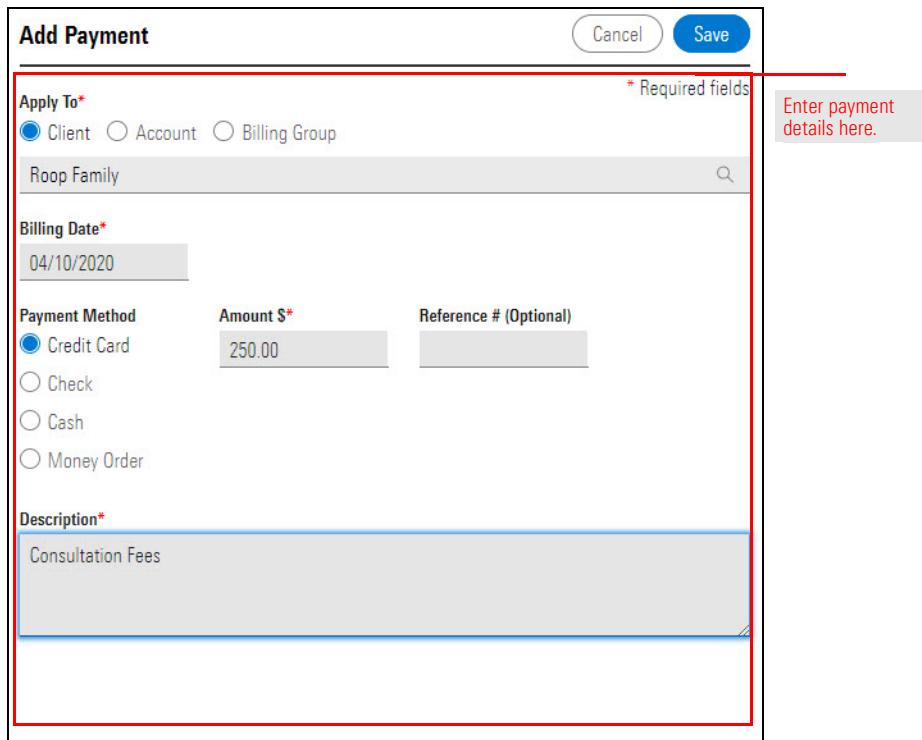
1. From the **Menu**, select **Billing**. The Billing page opens.
2. From the **View** drop-down menu on the header, select **Billing History**.



3. On the header, click the **Billing Record** button. Then select **Payment**. The Payment window opens.



4. From **Apply to**, select **Client, Account or Billing Group**.
5. In the **Search** bar, type the **name** of the client, account, or group you wish to apply a payment.
6. In the **Billing Date** field, enter the **date** you want to bill.
7. From the **Payment Method** field, select **Credit Card, Check, Cash, or Money Order**
8. In the **Amount** area, type the **amount** the client paid.
9. In the **Description** text box, type a **description** of the **Payment**. This description will appear within the Billing Summary.



The screenshot shows the 'Add Payment' form. A red box highlights the 'Apply To', 'Billing Date', 'Payment Method', 'Amount', and 'Description' sections, which are marked as required fields. A callout bubble with the text 'Enter payment details here.' points to the 'Description' field. The 'Save' button is located at the top right of the form.

**Add Payment**

Apply To\* \* Required fields

Client  Account  Billing Group

Roop Family

Billing Date\*  
04/10/2020

Payment Method

Credit Card  Check  Cash  Money Order

Amount \$\* 250.00

Reference # (Optional)

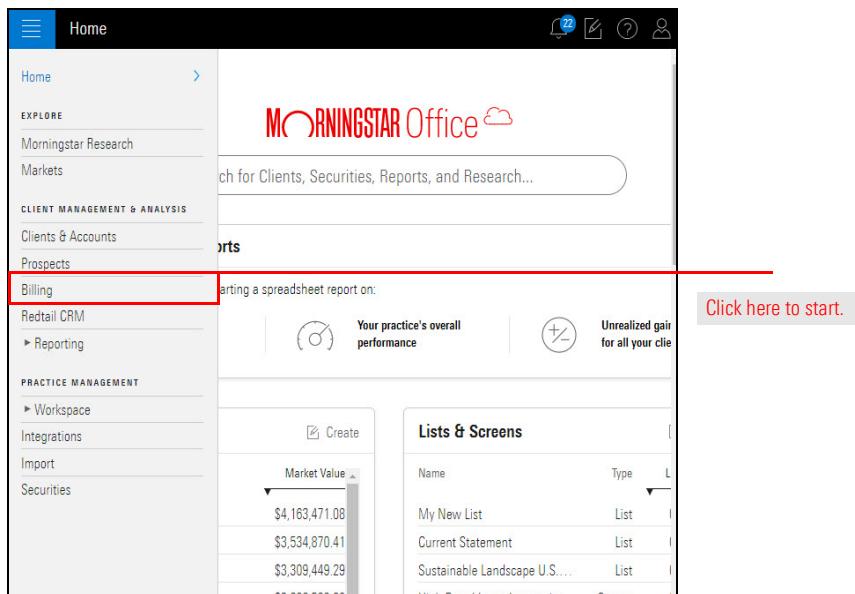
Description\*  
Consultation Fees

Save Cancel

10. Click **Save**.

In some cases, you may choose to exclude a security from billing across your practice. For example, if your firm does not charge against cash you can exclude cash holdings for all clients and accounts. To exclude a security from billing at the practice level, do the following:

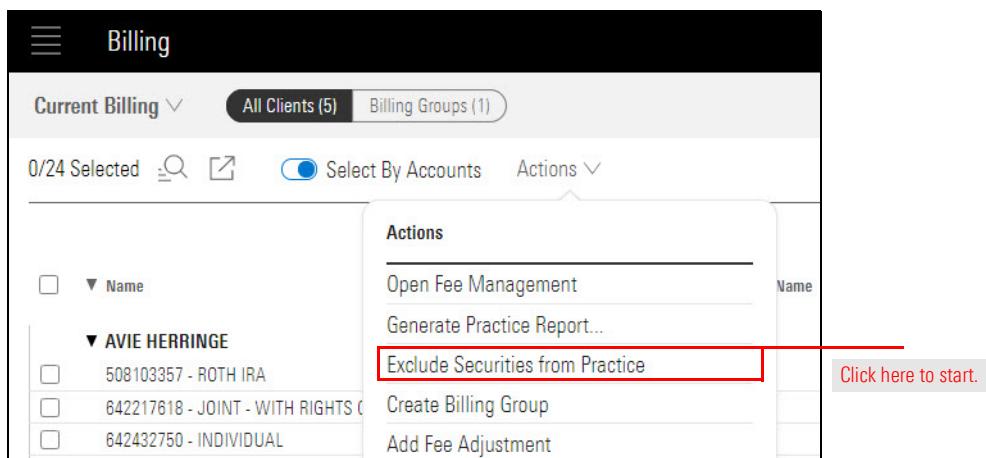
1. From the **Menu**, select **Billing**. The Billing page opens.



The screenshot shows the Morningstar Office interface. The left sidebar has a 'Billing' link highlighted with a red box. The main content area shows a 'Lists & Screens' table with the following data:

Name	Type	Market Value
My New List	List	\$4,163,471.08
Current Statement	List	\$3,534,870.41
Sustainable Landscape U.S....	List	\$3,309,449.29
High Dividend Income U.S....	Screen	\$2,206,500.00

2. Click **Actions > Exclude Securities from Practice**. The Exclude Securities from All Accounts dialog box opens.



The screenshot shows the 'Billing' page. The 'Actions' dropdown menu is open, and the 'Exclude Securities from Practice' option is highlighted with a red box. The menu also includes 'Open Fee Management', 'Generate Practice Report...', 'Create Billing Group', and 'Add Fee Adjustment'.

3. In the **Search for a security to exclude** field, type the **name** or **security identifies (such as ticker)** for the security you want to exclude. A list of choices dynamically appears.

## How do I exclude securities from billing at the practice level?

4. From the list of securities, click the **security** you want to exclude. The security you selected appears within the Excluded Securities column.

**Exclude Securities From All Accounts**

Select securities in your practice

Excluded Securities

Keep in mind, changes you make here will override any account-specific exclusions.

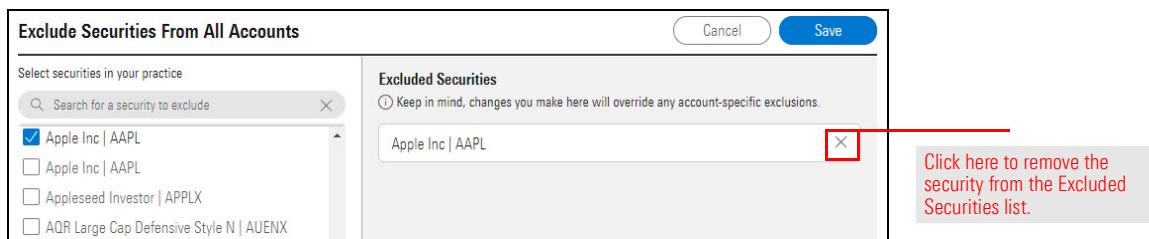
Cancel Save

Name	Identifier	Exchange	Type
Apple Inc	AAPL	NASDAQ	Stock
Apple Inc	AAPL	SANTIAGO	Stock
		STOCK	
		EXCHANGE	

You haven't excluded any securities from billing yet

Be sure to identify the correct exchange when identical names and tickers appear for a security.

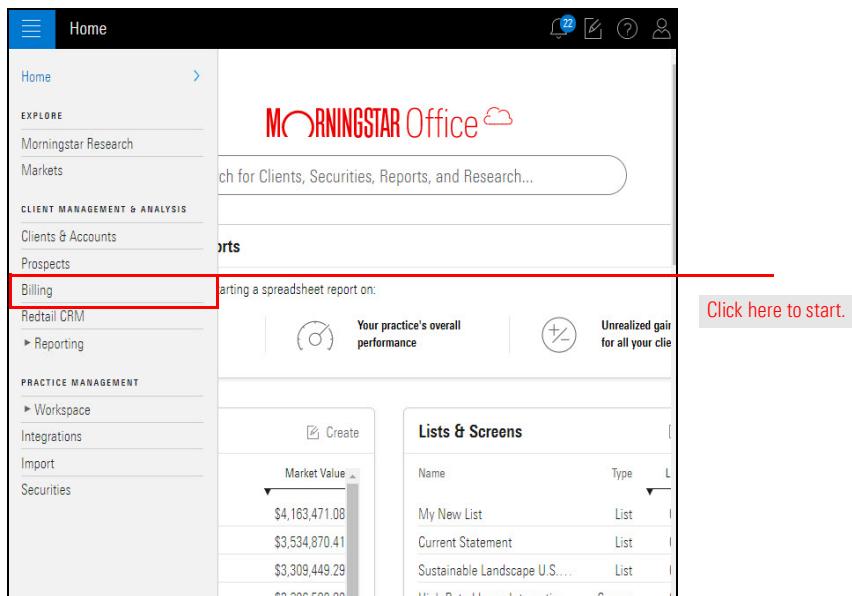
5. Click **Save**.
6. To remove the security from the Excluded Securities list, click on the **X** next to the security.



7. Click **Save**.

In addition to excluding securities from billing across your practice, you can also exclude securities for individual accounts. To exclude securities for individual accounts, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.



### How do I exclude a security at the account level?

2. Click the slider next to **Select by Account**.
3. Click the **Locate** button. The Locate box opens.
4. In the **Search Client/Account** field, type the **account** you want exclude a security for. A list of choices dynamically appears.
5. From the list of accounts, select the **account** you want to exclude securities for.

Locate

Name	Type
9XXXX4562	Accounts
9XXXX6911	Accounts
9XXXX6986	Accounts
9XXXX8787	Accounts
Albert Einstein	

Select the correct account here.

6. For the selected account, click the **Actions** menu. Then select **Exclude Holdings from Account**. The Exclude Holdings box opens.

Actions

Exclude Holdings From Account

Select this option.

7. In the **Search for the holding to exclude** field, type the **holding** you want to exclude.

Exclude Securities for 573403145 - INDIVIDUAL

Choose securities from the list below to exclude from your billing and fee calculations.

Excluded Securities

iShares 1-3 Year Treasury Bond ETF | SHY

CASH

iShares 1-3 Year Treasury Bond ETF | SHY

Fidelity® Government Cash Reserves | FDRXX

Select this option.

8. Click **Save**.

After you generate billing fees, you have the option to run practice-level billing reports to ensure that your billing records are accurate. Practice-level billing reports include the following:

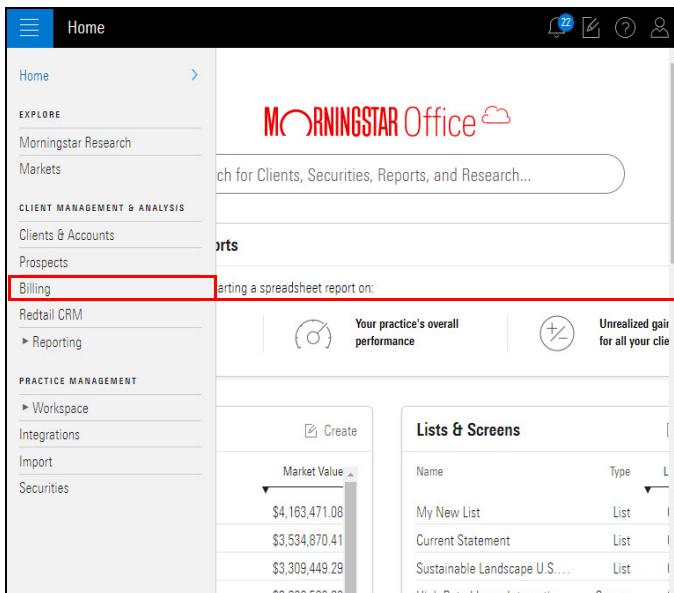
### How do I generate practice level billing reports?

This Report ...	Contains this information ...
Insufficient Cash Account	<ul style="list-style-type: none"> <li>Clients accounts billing data and list the accounts that do not have sufficient cash to deduct the fee amount, and</li> <li>Insufficient account information, including fee amount to be billed, current cash available in account &amp; cash deficit.</li> </ul> <p><small>☞ Note: If Money Market Funds are not included, only calculate free cash available in the accounts.</small></p>
Management Fee Excluded Holdings	<p>Holdings that are marked as excluded from management fees or unmanaged.</p> <p>The following accounts are excluded from this report:</p> <ul style="list-style-type: none"> <li>accounts held in inactive client</li> <li>accounts held in shared clients</li> <li>accounts owned by a prospect, and</li> <li>accounts exclude from client aggregate.</li> </ul>

This Report ...	Contains this information ...
Practice Billing Summary	<p>Practice-level billing information for all billing clients, accounts and groups, including:</p> <ul style="list-style-type: none"><li>▶ Applied fee calculation methodology</li><li>▶ Assigned management fee</li><li>▶ Billable balance, and</li><li>▶ Allocated fee amount.</li></ul> <p>If you want to include additional charges and rebates within the billable balance and allocated fee amount calculation, check the <b>Include additional charges and rebates</b> box in report settings.</p>
Management Fee Excluded Accounts	<p>All accounts marked as excluded from billing or unmanaged</p> <p>Account data points displayed are advisor name, client name, account name and account number.</p> <p>☞ Note: Account under prospects, inactive clients, shared clients, as well as accounts excluded from client aggregate are not included.</p>
Practice Management Fee	<p>All billing clients, groups and accounts with their corresponding fee calculation settings.</p> <p>The billable balances, firm fees, advisor fees and total fee amounts include all management fee and adjustment billing records.</p> <p>Fees display for each account, without fee allocation settings.</p>

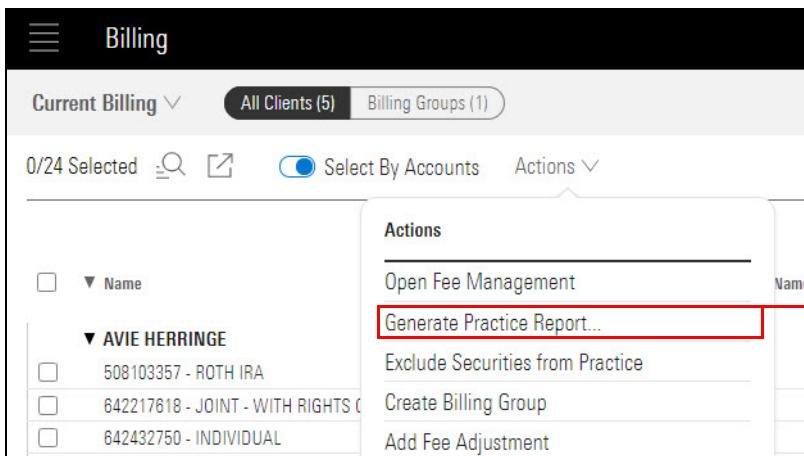
To run this report, do the following:

1. From the **Menu**, select **Billing**. The Billing page opens.



The screenshot shows the Morningstar Office Home page. On the left, a vertical navigation menu is displayed with several sections: EXPLORE (Morningstar Research, Markets), CLIENT MANAGEMENT & ANALYSIS (Clients & Accounts, Prospects, Billing), and PRACTICE MANAGEMENT (Workspace, Integrations, Import, Securities). The 'Billing' option under the 'CLIENT MANAGEMENT & ANALYSIS' section is highlighted with a red box. The main content area features the Morningstar Office logo and a search bar. Below the search bar, there are two circular icons: one for 'Your practice's overall performance' and another for 'Unrealized gain for all your clients'. A button labeled 'Click here to start.' is visible. On the right, there is a 'Lists & Screens' section with a table showing three items: 'My New List' (List), 'Current Statement' (List), and 'Sustainable Landscape U.S.' (List). A 'Create' button is also present.

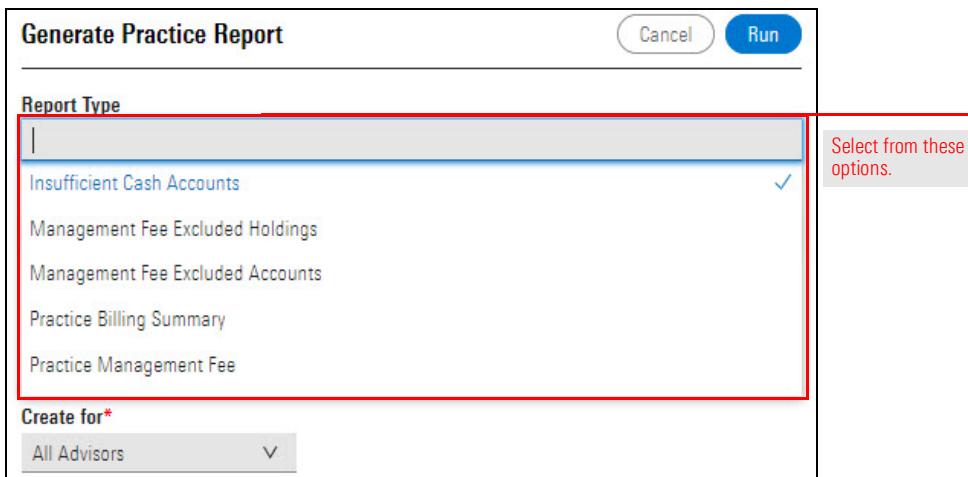
2. On the header, click **Actions > Generate Practice Report**. The Generate Practice Report box opens.



The screenshot shows the 'Billing' page. At the top, there are filters for 'Current Billing' (set to 'All Clients (5)'), 'Billing Groups (1)', and search/filter buttons. Below this, a list of clients is shown with checkboxes next to their names. One client, 'AVIE HERRINGE', is expanded, showing three sub-options: '508103357 - ROTH IRA', '642217618 - JOINT - WITH RIGHTS', and '642432750 - INDIVIDUAL'. To the right of the client list, a 'Actions' dropdown menu is open, listing: 'Open Fee Management', 'Generate Practice Report...', 'Exclude Securities from Practice', 'Create Billing Group', and 'Add Fee Adjustment'. The 'Generate Practice Report...' option is highlighted with a red box, and a 'Click here to start.' button is visible to its right.

3. In the **Report Name** field, select the **report** you want to run.

☞ Note: the report name will include the date and name of the report by default. Select the **time period** for which you want to run the report.



4. Click **Run**.

When generating a client bill for a single client or multiple clients at once using Batch, a missing price warning now appears to alert you that your fee data may be inaccurate. Use this warning to identify positions with missing prices, validate the correct prices with your custodian, and, when necessary, update prices within Morningstar Office Cloud.

the Missing Price warning only appears under the following circumstance:

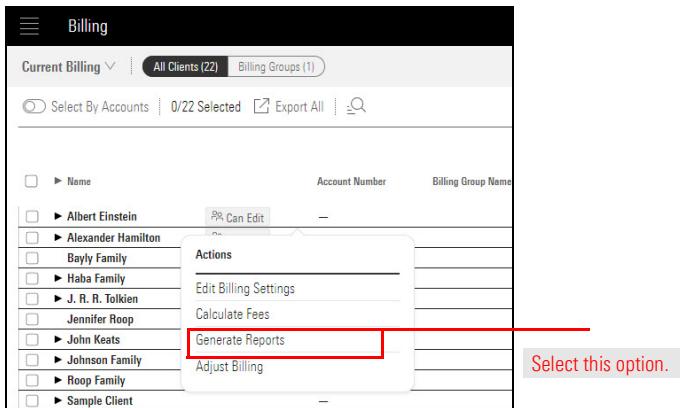
- ▶ Fee data has not been calculated within the Current Billing grid. Fee data is automatically calculated when the billing summary is generated.
- ▶ Fee data has been calculated within the Current Billing grid, but the Overwrite existing management fee billing option is selected when generating the billing summary.

☞ Note: The missing price warning functionality will be enhanced in future releases.

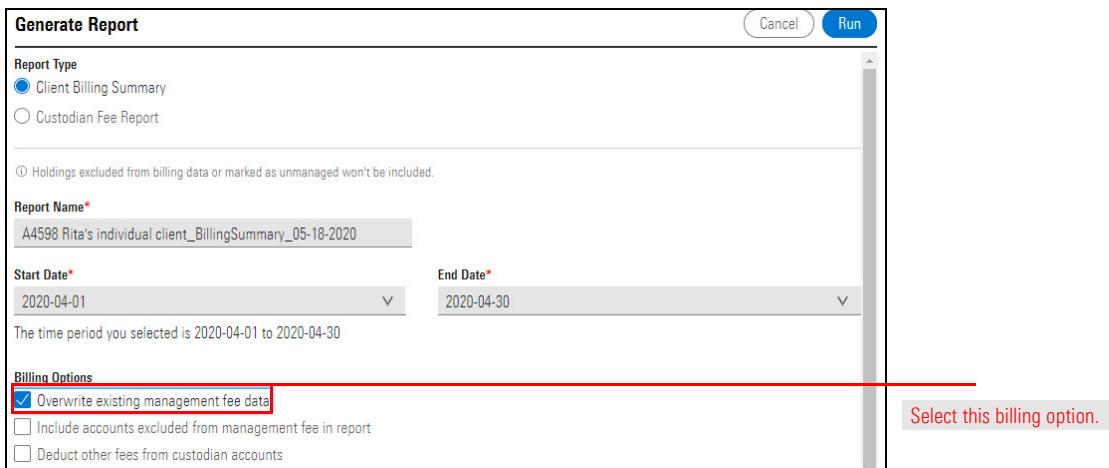
**How do I know if prices are missing when generating a bill?**

To view missing price data, do the following:

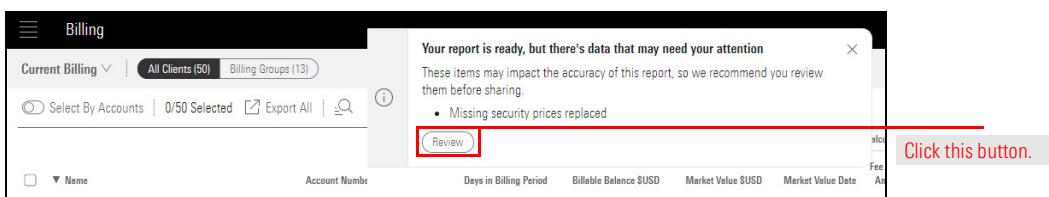
1. Hover over the client you want to run a bill for. Then click the **Actions > Generate Reports**. The Generate Report box opens.



2. From the **Billing Options** area, select **Overwriting existing management fee data**.



3. Click **Run**.
4. If prices are missing, the following warning message appears. Click **Review**. The Report Warning window opens.



5. Verify the correct prices with your custodian.. To download for record keeping purposes, click the **download** icon.

**Report Warning: A4598 Rita's individual client\_BillingSummary\_05-18-2020**

The following items may impact the accuracy of this report. Please review them before sharing.

▼ Missing security prices replaced

We used the most recent available price to calculate market value for this report. Verify the correct security price with your custodian.

Security Name	Symbol / CUSIP	Missing Price Date	Most Recent Price Date	Price Source	Account Name	Account Number
BlackRock Global Allocation Inv A	MDLOX	04/30/2020	02/27/2020	Import / Manual	df	—
—	MDLOX	—	—	Import / Manual	df	—

**Click this icon to download.**

If you discover a price is inaccurate, you can adjust the price within the **Securities** page. To adjust a price, do the following:

### How do I adjust a price?

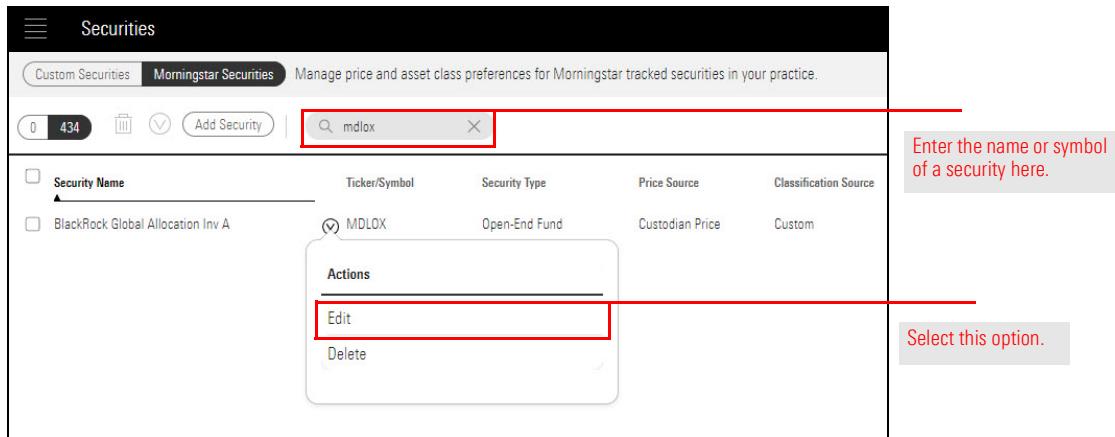
1. From the **Menu**, select **Securities**. The **Securities** page opens.

The screenshot shows the Morningstar Office Cloud interface. The left sidebar has a 'Securities' tab highlighted with a red box. The main area shows a 'Lists & Screens' table with several rows of data. A callout box points to a button labeled 'Click here to start.'.

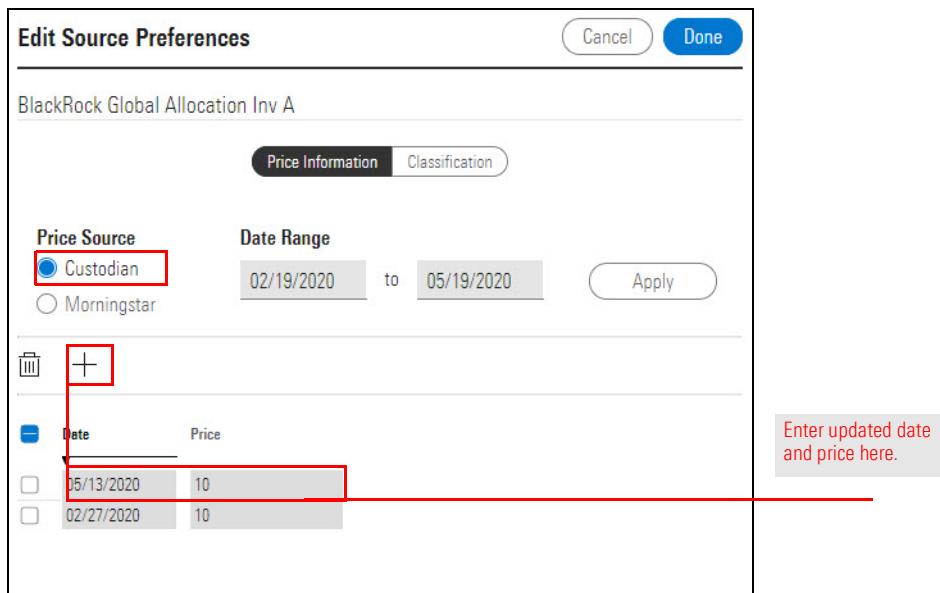
Name	Type
My New List	List
Current Statement	List
Sustainable Landscape U.S. ....	List
High Yield Large Intergation	Screen

2. From the header, select either the **Custom Securities** or **Morningstar Securities** tab.
3. On the header of the selected tab, in the **Search for Securities** text box, type the **security** you want to adjust.

4. Hover over the security you want to adjust a price for. Then click the **Actions > Edit**. The Edit Source Preference box opens.



5. From **Price Source**, select **Custodian**. Then click the **+** sign to enter a new row.  
 6. For the date you want to change a price for, enter the **date**, and **price**.



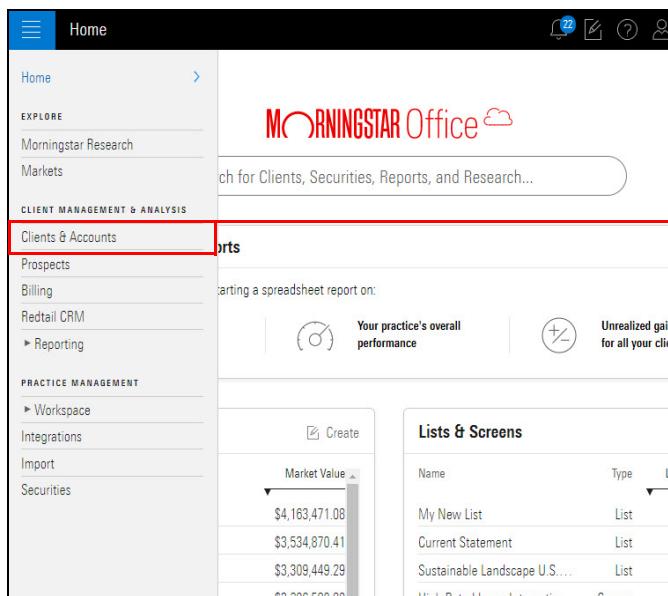
7. Click **Done**.

In some cases, you may choose to split a client's assets under management with additional members of your firm, allowing multiple firm member to charge a percentage of the client's assets when billing.

This feature allows users to divide the assets of a transactional account among a maximum of five firm members. Before an account's assets can be split, the client must be shared with the firm members for whom the AUM will be split.

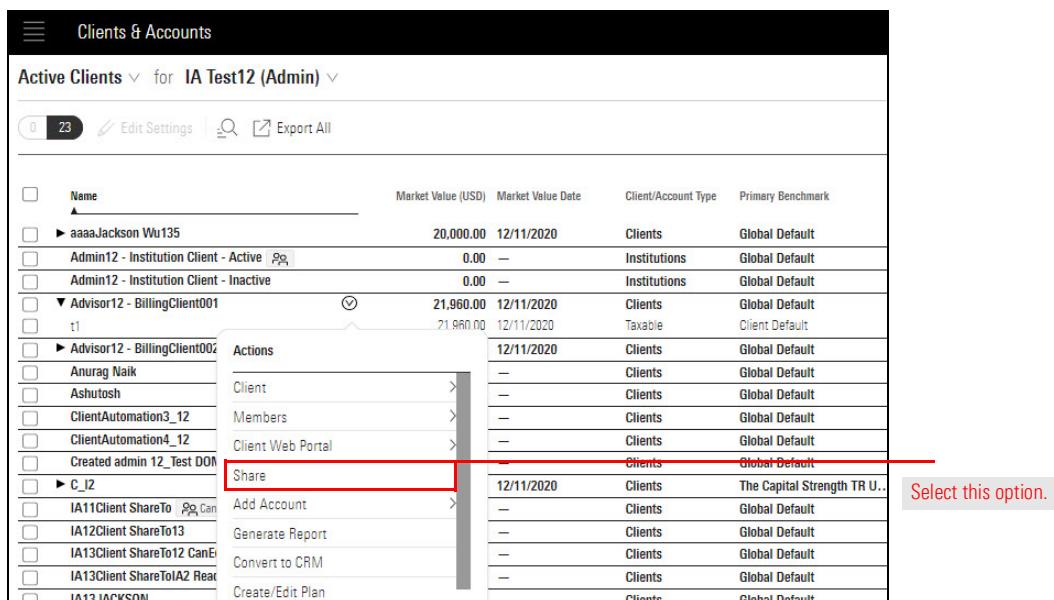
To share a client, do the following:

1. From the **Menu**, select **Clients & Accounts**.



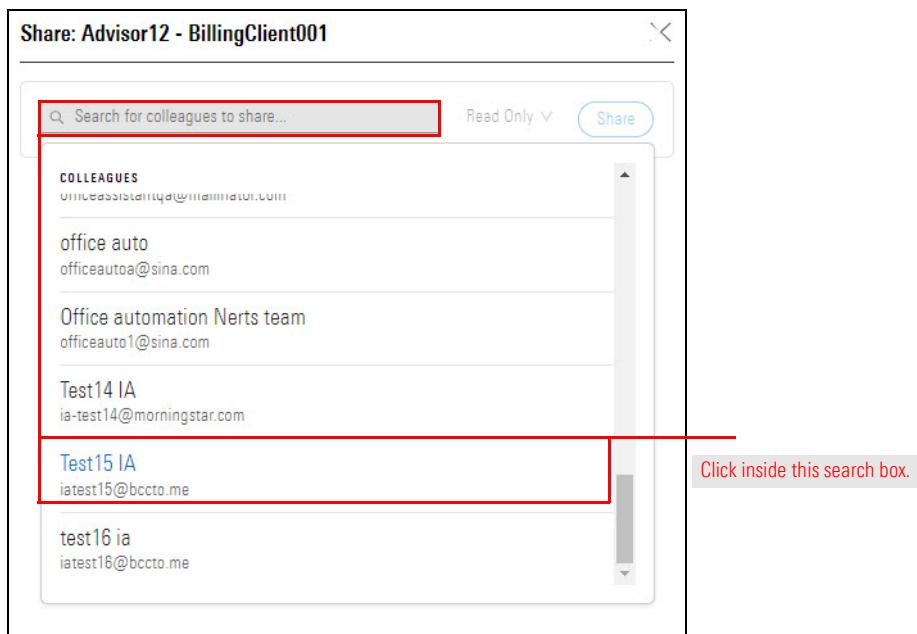
Click here to start.

2. Hover the cursor over the **client** you want to share. The Action icon appears.
3. From the **Actions** drop-down menu, select **Share**. A dialog box opens.



Select this option.

4. In the **Share** dialog box, click inside the **Search** field.
5. From the Colleagues drop-down menu, select the **member** or **members** for which you want to share the client.

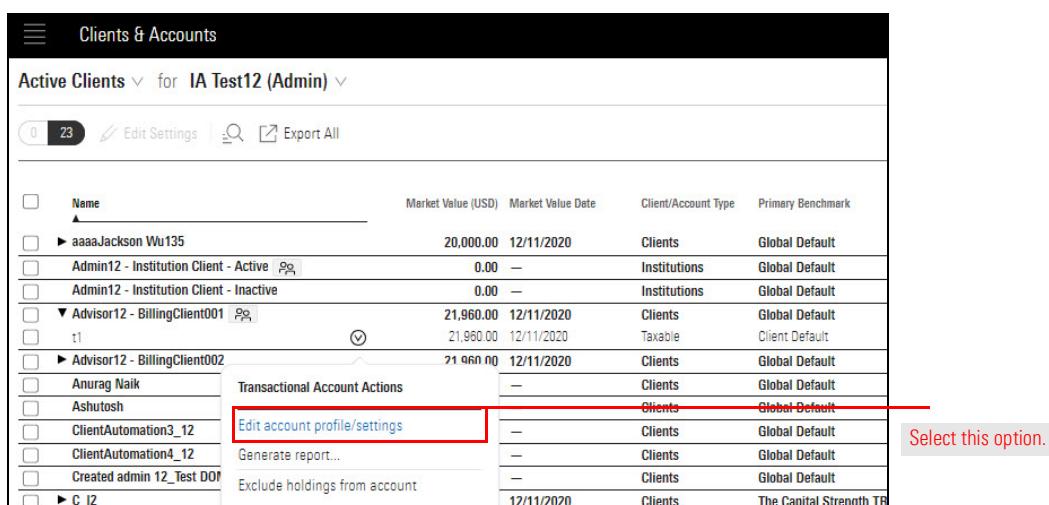


6. Click **Share**.

After you successfully share a client record, you can split assets amongst firm members you've shared the client with. Assets can be split at individual account level only, and they must be split from the original client owner's log in.

To split assets amongst firm members you've shared the client with, do the following:

1. Click the **caret** next to the **client** for which you want to split assets.
2. Hover the cursor over an **account** record.
3. From the Actions drop-down menu, select **Edit Account profile/settings**. A dialog box opens.



4. In the Edit Account box, click **Settings**.
5. Check the box next to **Split account's AUM with other advisors in firm**.
6. In the **Advisor Name** drop down, select the client owner's login in.
7. In the **AUM percentage** text box, type a **percentage**. Then click **Add advisor**.

Profile      Primary Benchmark \*Required  
Client Default

Settings      Secondary Benchmark (Optional)  
None

Model Portfolio  
Client Default

Don't include this account in client aggregate calculation

Mark as unmanaged account

Split account's AUM with other advisors in firm

Advisor Name	Advisor/Rep Code	AUM %*
IA Test12		50.00
(Add advisor)		Total 50.00

8. In the **Select an advisor** drop-down menu, select the **advisor** you shared the account with.
9. In the **AUM percentage** text box, type a **percentage**.

Profile      Primary Benchmark \*Required  
Client Default

Settings      Secondary Benchmark (Optional)  
None

Model Portfolio  
Client Default

Don't include this account in client aggregate calculation

Mark as unmanaged account

Split account's AUM with other advisors in firm

Advisor Name	Advisor/Rep Code	AUM %*
IA Test12		50.00
Test15 IA		50.00
(Add advisor)		Total 100.00

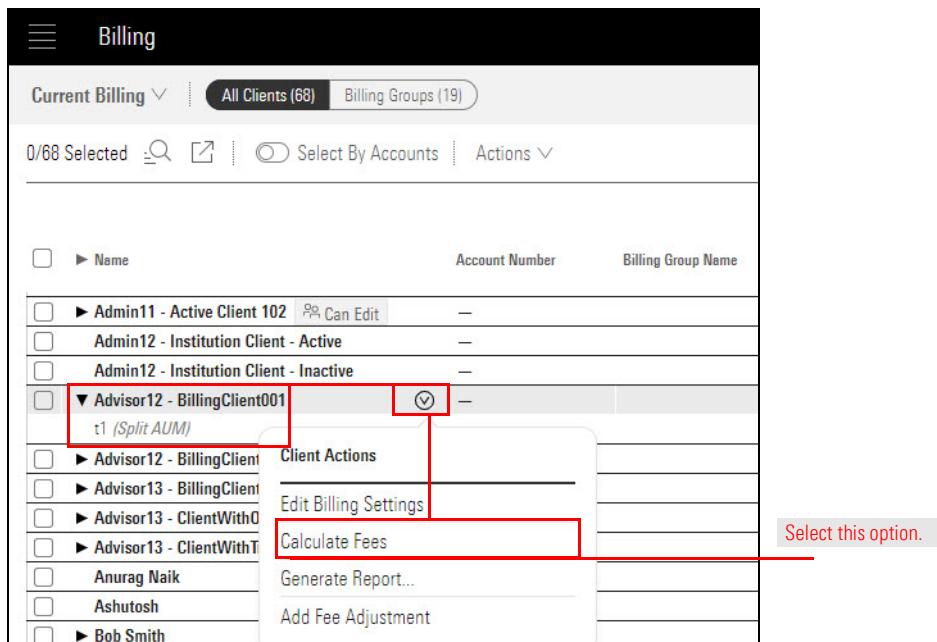
10. Click **Save**.

Once your client is shared with firm members, and assets are split, you can then calculate fees for the most recent billing period by the percentage owned by each advisor. This action must be completed for all advisors that share the client's assets.

### How do I calculate fees for clients with split AUM?

Do the following:

1. From the Billing grid, click the **caret** next to the **client** for which you want to split assets.
2. Validate that the **Split AUM** flag appears next to the account for which you've split assets.
3. Hover the cursor over an **client** record.
4. From the Actions drop-down menu, select **Calculate Fees**. A dialog box opens.



5. From the Choose a Billing Period menu, select **Most Recent Billing Period**.



6. Click **Run**.

Once fees are calculated, the individual advisor portion of the split fee is displayed within the Calculated Data section of the Billing grid for each advisor.