



Installment Payment Terms

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Overview

The Installment Payment Terms app extends Microsoft Dynamics 365 Business Central by enabling you to break a single invoice total into multiple smaller payments over time, making it easier to manage customer payment schedules and improve cash flow flexibility.

Here's what makes it different:

- **Create Customized Payment Plans** - Design tailored payment schedules with flexible intervals, amounts, and due dates to match customer agreements or internal policies.
- **Track Payments and Status** - Monitor all payments made toward an invoice and view the real-time status of each installment—ensuring accuracy and transparency at every stage.
- **Seamless Integration with Business Central** - Work effortlessly within standard Business Central functionality to record received payments, track overdue amounts, and apply any configured fees automatically without any changes to your existing A/R and A/P processes.

Installation & Setup

This app is licensed through Microsoft. To purchase and deploy it in your production environment, follow the instructions in the link below:

[How to purchase and license the app through Microsoft AppSource](#)

Setup

Installment Payment Terms Setup Page

- 1) Open the **Payment Terms** page
- 2) Click on **Installment Payment Setup** on the ribbon menu
- 3) The **Installment Payment Terms Setup** page opens



✓ Saved

Installment Payment Setup

General

Invoice Sequence Delimiter Invoice Sequence Starting No.

Sales

Add Sales Installment Comment on P... Sales Installment Comment Description The following is your installment payment breakdov

Purchase

Add Purchase Installment Comment o... Purchase Installment Comment Descr... The following the installment payment breakdown:

Application Information

Version v1.1.11.0 Entitlement
Data Version v1.1.11.0 Is Entitled

Assign User Permission Set

- 1) Choose the  icon to enter “**User**” and select the related link to open the **Users** list.
- 2) On the Users list, select users that will require permission to the Installment Payment Terms app.
- 3) On each of the selected **User Cards**, go to the **User Permission Sets** tab, add the necessary permission sets based on the role of the user:
 - a. APEINSTALLPMTADMININE
 - i. Assign this to the users that are considered administrators of the app and responsible for setting up and maintaining Additional Payment Terms.
 - ii. These users must be licensed through the Microsoft 365 admin center.
 - b. APEINSTALLPMTE
 - i. Assign this to the users that are considered users of the app, this should be any user that can invoice Sales or Purchase documents.
 - ii. These users must be licensed through the Microsoft 365 admin center.
 - c. APEINSTALLPMTTRADE
 - i. This should be assigned to any users that do not have the ability to invoice sales documents.
 - ii. These users **do not need to be licensed**, but this permission set must be assigned to prevent any licensing errors while using areas touched by the app. (ex.: the flowfield on the Payment Terms page.)
 - d. APEINSTALLPMTDEMO
 - i. A special, unlicensed Permission Set available to allow testing this app in a Sandbox

- ii. This permission set is only for use in a Sandbox environment and not licensed for use in a Production environment.

Permission Set ↑	Name	Type ↑	Extension Name
APEINSTALLPMTDEMO	Installment Payment ...	System	Installment Payment Terms
APEINSTALLPMTREADE	Installment Payment ...	System	Installment Payment Terms
APEINSTMNTPMTE	Installment Payment ...	System	Installment Payment Terms
APEINSTPMTADMINE	Installment Payment ...	System	Installment Payment Terms

User Guide

Companies need to create installment payments for customers and vendors. Users may run into challenges creating installments using out-of-the-box Business Central Payment Terms. The installments need to be added manually to Purchase and Sales Orders. The Installment Payment Terms app will help you easily split payments into installments.

Use the payment term codes with additional installment payment terms on Purchase and Sales Orders/Invoices.

After posting a purchase or sales invoice, the system automatically splits the payment according to the installment payment setup.

Creating the Payment Terms

Create Installment Payment Terms

- 1) Open the payment terms page and enter a new **Payment Term**.
- 2) There are two columns added to the **Payment Terms** table to manage **Installment Payments**.
 - a. **Installment Payment Amount Percentage:** Enter the percentage of the order total for this part of the payment term split.
 - b. **No. of installment payments:** This is a flowfield that shows the number of Installment Payment splits that have been associated to this Payment Term.



Code ↑	Due Date Calculation	Discount Date Calculation	Discount %	Calc. Pmt. Disc. on Cr.	Description	Installment Payment Amount Percentage	No. of Installment Payments
10 DAYS	10D		0	<input type="checkbox"/>	Net 10 days	0	1
14 DAYS	14D		0	<input type="checkbox"/>	Net 14 days	0	0
15 DAYS	15D		0	<input type="checkbox"/>	Net 15 days	0	0
1M(8D)	1M	8D	2	<input type="checkbox"/>	1 Month/2% 8 days	0	0
2 DAYS	2D		0	<input type="checkbox"/>	Net 2 days	0	0
21 DAYS	21D		0	<input type="checkbox"/>	Net 21 days	0	0
30 DAYS	30D		0	<input type="checkbox"/>	Net 30 days	0	0
→ 306090	⋮ 30D		0	<input type="checkbox"/>	30/60/90 Days	33	2
60 DAYS	60D		0	<input type="checkbox"/>	Net 60 days	0	0
7 DAYS	7D		0	<input type="checkbox"/>	Net 7 days	0	0
CM	CM		0	<input type="checkbox"/>	Current Month	0	0
COD	0D		0	<input type="checkbox"/>	Cash on delivery	0	0

Add Additional Payments Terms

- 1) Open the **Additional Installment Payment Terms** page by selecting a Payment Term and clicking on the **Additional Installment Payment Terms** action.
- 2) Set up any additional Payment Terms
 - a. **Due Date Calculation:** Date formula to calculate the additional payments.
 - b. **Discount Date Calculation:** Date formula to calculate payment discounts.
 - c. **Discount %:** Discount percentage to use if paid within the discount period.
 - d. **Installment Payment Amount Percentage:**

NOTE: If there are **rounding issues**, the system adds the difference to the **last payment entry**.

Due Date Calculation	Discount Date Calculation	Discount %	Installment Payment Amount Percentage	Description
→ 60D	⋮ 45D	2.00	0	
90D	70D	3.00	0	



Add Installment Payment Amount Percentage

You can also enter different percentages per payment installment.

1) Set up the payment percentage on the **Payment Terms** page for the first installment.

Payment Terms ✓ Saved   

   + New Edit List Delete Payment Terms Additional Installment Payment Terms ...   

Code ↑	Due Date Calculation	Discount Date Calculation	Discount %	Calc. Pmt. Disc. on Cr.	Description	Installment Payment Amount Percentage	No. of Installment Payments
10 DAYS	10D		0	<input type="checkbox"/>	Net 10 days	0	1
14 DAYS	14D		0	<input type="checkbox"/>	Net 14 days	0	0
15 DAYS	15D		0	<input type="checkbox"/>	Net 15 days	0	0
1M(8D)	1M	8D	2	<input type="checkbox"/>	1 Month/2% 8 days	0	0
2 DAYS	2D		0	<input type="checkbox"/>	Net 2 days	0	0
21 DAYS	21D		0	<input type="checkbox"/>	Net 21 days	0	0
30 DAYS	30D		0	<input type="checkbox"/>	Net 30 days	0	0
→ 306090	⋮ 30D		0	<input type="checkbox"/>	30/60/90 Days	33	2
60 DAYS	60D		0	<input type="checkbox"/>	Net 60 days	0	0
7 DAYS	7D		0	<input type="checkbox"/>	Net 7 days	0	0
CM	CM		0	<input type="checkbox"/>	Current Month	0	0
COD	0D		0	<input type="checkbox"/>	Cash on delivery	0	0

2) Set up additional payment percentages on the **Additional Installment Payment Terms** page.

Additional Installment Payment Terms

   + New Edit List Delete Installment Payment Setup Actions Automate Fewer options

Due Date Calculation	Discount Date Calculation	Discount %	Installment Payment Amount Percentage	Description
→ 60D	⋮	0.00	33	
90D		0.00	34	

Working with Date Formulas

The **Date Formula Tester** is a utility tool that allows you to experiment with date formulas and see the results immediately, ensuring your installment payment schedules calculate correctly.



Date Formula Tester

Actions ▾

Instructions

Enter a starting date and a date formula to calculate the result. Date formula examples: 1D (1 day), 1W (1 week), 1M (1 month), CM (current month end), -CY+CY (start of year). You can combine formulas like CM+1D (first day of next month). Note: You do not need to include < and > characters.

Input

Starting Date 12/12/2025 Date Formula

Result

Calculated Date Formula Breakdown

Days Difference 0

Common Date Formula Examples

1D = 1 day | 1W = 1 week | 1M = 1 month | 1Y = 1 year | CM = End of current month | -CM = Start of current month | CW = End of current week | CY = End of current year | -CY+CY = Start of current year | CM+1D = First day of next month

Examples: 6 Months Ahead

Instructions

Click any date formula below to see how to use it. All examples calculate 6 months from a specific date using different techniques.

Basic Examples

1. Basic 6M
Direct month addition - simply add 6 months
2. Simple CM+6M
Current month end + 6 months

Intermediate Examples

3. Moderate -CM+1D+6M
Month start + 6 months
4. Advanced CM-CM+1D+6M
Alternative month start technique + 6 months
5. Complex -CY+CY+6M+CM-CM+1D
Year-relative calculation with 6 months

Alternative Time Units

6. Week-Based 26W
Using weeks instead of months (26 weeks = 6 months)
7. Quarter Method 2Q
Using quarter notation (2 quarters = 6 months)
8. Day Precision 180D
Exact day calculation (≈6 months)

To use the **Date Formula Tester**,

- 1) Open the **Installment Payment Terms** page
- 2) Click **Actions >> Date Formula Tester**

Additional Installment Payment Terms

🔍 🔍 📄 + New 📄 Edit List 🗑 Delete ⚙ Installment Payment Setup

Actions ▾ Automate ▾ Fev

Due Date Calculation Discount Date Calculation

→

Date Formula Tester

⚙ Manage Subscription

Use new Payment Terms

Once set up, the system automatically splits the payments, according to the records in the **Additional Installment Payment Terms** page.

- 1) Add the new **Installment Payment Terms** to the Customer or Vendor Card in the **Payment Terms** field to default on documents.
- 2) Create a new **Sales Order** with the new **Installment Payment Terms**.
- 3) Post the **Sales Invoice**



4) Go to the **Customer Ledger Entries** page to view the entries created by the new **Installment Payment Terms**.

Customer Ledger Entries

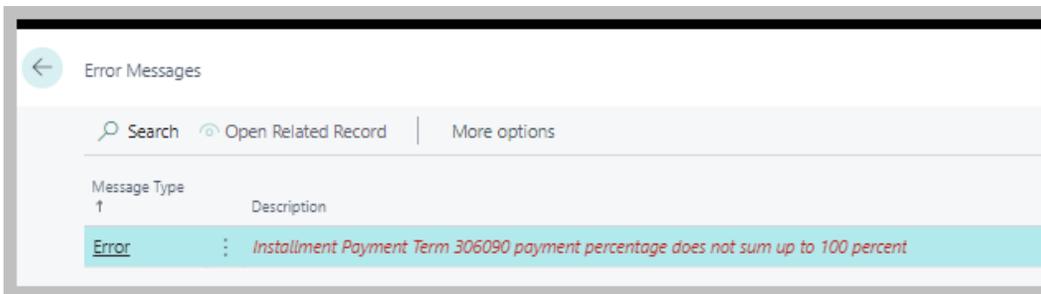
Home Entry More options

Show Document Apply Entries Find entries... Reverse Transaction... Create Reminder... Create Finance Charge Memo...

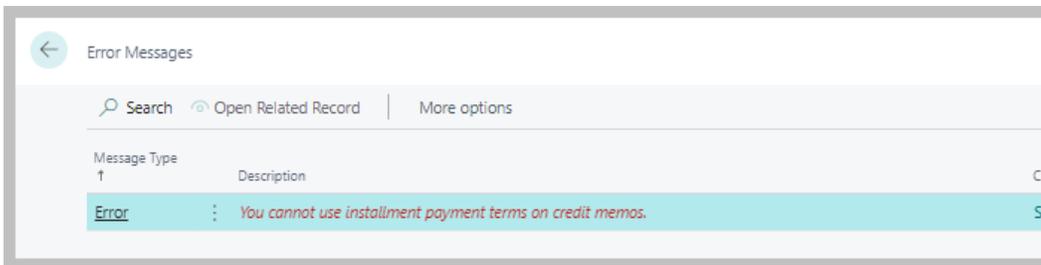
Posting Date	Due Date	Docum... Type	Document No.	Custom... No.	Description	Original Amount	Amount	Sales (\$)
11/21/2025	2/19/2026	Invoice	PS-INV103232-3	10000	Installment Payment 3/3 for PS-INV103232 - Payment Term 306090	34,000.00	34,000.00	0.00
11/21/2025	1/20/2026	Invoice	PS-INV103232-2	10000	Installment Payment 2/3 for PS-INV103232 - Payment Term 306090	33,000.00	33,000.00	0.00
11/21/2025	12/21/2025	Invoice	PS-INV103232	10000	Installment Payment 1/3 for PS-INV103232 - Payment Term 306090	33,000.00	33,000.00	100,000.00

Limitations

1) Installment Payment Terms need to sum up to 100 percent. If they do not, the system displays this error on Post Invoice.



2) Installment Payment Terms cannot be used on Credit Memos.



- a. To correct, Remove Installment Payment terms from the Credit Memo and Post the document.
 - i. Go to the Customer/Vendor Ledger Entries page. Select the Posted Credit Memo. Select Process Apply Entries and apply the entries manually.



Posting Date	Document Type	Document No.	Customer No.	Customer Name	Department Code	Project Code	Currency Code	Original Amount
9/29/2022	Credit Memo	104006	J0000	The Cannon Gro	.SALES			-1,802.00
9/29/2022	Payment	G02003	10000	The Cannon Gro	C SALES			582.77
9/29/2022	Payment	G02003	10000	The Cannon Gro	C SALES			-582.77

- 3) Due to localization limitations, US users will need to manually enter the IRS 1099 Amounts on purchase documents or create an extension to populate the 1099 fields after posting installment payment invoices