How Many of These Expensive Invoice Mistakes Are You Making?

By Susan Saldibar

How do you process your utility invoices? It's simple question. But, if you know anything about utility invoices, you know that processing them correctly is anything but simple. Because, if you don't know what you're doing, you are probably overpaying each month and missing opportunities to save considerable money over the long haul. And, if you're watching your dollars, that's not good.

Recently, two experts from RealPage, Tamra Goodman, VP of Invoice Processing and Howard Berends, Senior Product Manager, sat down with Jacki Caputo, Senior Director of Risk and Compliance for RealPage Utility Management to talk about utility bill processing and 5 key mistakes that many communities make. (RealPage is a Senior Housing Forum partner.)

5 Key Mistakes

Here they are, in a nutshell. There is much more covered in the video which you can access here.

1. **Not paying quickly enough.** Many communities will process and batch pay their invoices because it's easier. But, according to the RealPage experts, you run an increased risk of late charges and possible shut offs. Part of the problem is not having enough information to calibrate payment to receipt of invoices. Replacing the manual process with "intelligent" automation does the work for you, so you're not relying on reminder notes or calendar alerts.

2. **Not collecting key information.** There is much more information on a utility bill than the amount due and due date. If you are not collecting information such as service periods, rates and consumption, you will have a more difficult time identifying potential billing errors. You may be paying more than you should simply because you lack the tools to properly track usage as it corresponds to your invoices. "And, it's more than consumption alone. There are many different tiers of consumption," Howard Berends notes in the video. You should have the data available to answer cost-saving questions such as, "What will happen if I can reduce my consumption and not have to pay that next rate tier?"

3. **Not vetting your payment processors.** If you are using a third party to provide invoice processing, it's important to make sure that they are managing your funds and payments effectively. How much attention are they paying to enforcing the security of data, systems and finances? What are their audit and validation processes? Do they have experience in senior housing? Do they have sufficient resources and systems to scale with your business? Can they integrate with your Property Management System?

4. **Not requiring transparency.** If you are using a third party, transparency is critical. You should be receiving regular reports that provide information on expediency of payments, as well as any late fees incurred or other billing anomalies. They should provide regular reports and provide a dashboard that you can access 24/7.

5. **Not getting "actionable" intelligence.** If you are not collecting enough information about your bills, you will continually be in the dark as to utility-related issues such as leaks, vacancy and utility theft. "There is a lot of information and also misinformation you can get from your data," Howard says. "You may see some spikes or dips in consumption data, but it may not necessarily mean you have a leak. You need to make sure your partner is proactive in their efforts to find out what's going on. Is it really a leak, or could it be related to occupancy or even weather?"

It's hard to imagine trying to do all this using internal staff alone. Maybe that's why the folks at RealPage insist that it is actually more cost effective to use a third-party expert. As Jacki says in the video, "It's a mistake to think of utility bill processing as simple; just a silo in and of itself. It's actually a cornerstone of so many other products that you are either using now or about to use," she says. "It needs to be dialed in and running like a Swiss watch; reporting, benchmarking, analytics, green initiatives, sustainability and so on. You can't have that without a sound and very robust utility invoice processing program."

You should really watch the video, which goes into more detail into each of the 5 areas above.