



Bill Pay – Staying on Top and on Time

timely management of accounts due saves hassles and money

However they come, whether by snail-mail or email, accounts for money owed are generally sent out in good time. Provided funds are sufficient to cover them, there's no justification for missed payments. Some creditors may allow a period of grace over and above the due date without penalty; many, though, will charge extra for late payment. This could be in the form of a percentage fee, or a lost discount which is only applicable when the bill is paid in full and on time. Regular and considerate management of finances is the way to avoid losing money and credit ratings.

With respect to the latter, is it really of consequence? Well, it might be in future when trying to negotiate a loan. Lenders are extremely careful not to advance money to anyone who is likely to fall behind with re-payments; and they take into account present and past records. A prospective borrower who only occasionally misses paying an account, from the electricity bill to credit-card monthly repayments, will not be regarded as a safe bet. Staying on top and on time keeps creditors happy; and, should the need arise, because of this they willingly give the tick of approval to clients who have done the right thing by them in the past. A good credit-rating is a necessary asset which, once lost is difficult to regain.

Keeping track on accounts-payable isn't hard; and ensuring they aren't lost is even easier. Once received, the snail-mail ones can be stuck on the fridge or thrown in a drawer with the rest of the paperwork, yes...? Definitely NO! Placed in a suitable file or folder designated solely for the purpose means they are to hand when needed. In addition, by recording the name of the creditor and the due date of the account in some form that is checked regularly will jog the memory. An entry in a diary is one way, as long as it is referred to on a daily basis. Perhaps even better would be the Season of Happiness monthly planner which is at-a-glance. Now, that *could* be stuck on the fridge, provided it isn't obliterated by take-out fliers and letters from the kids' school. Then there's the computer, an ideal place to enter details of due accounts as they come in; and operating systems usually have a reminder schedule which can be set to pop up an on-screen tag on the appropriate date.

Whichever method is used to record and remind, all are irrelevant unless the nudge is actioned as soon as convenient. Another matter that needs consideration when making any payment is time-lag. A cash payment actually handed over ensures the money has been paid on that date to the creditor; and a receipt for this can be filed away as proof of payment on time. But, when paying accounts on-line; or even in person at the bank, particularly if this is an inter-bank transfer; the time-lag factor must be considered. The process isn't always instant. Sometimes it may only take a few minutes, or an hour. Transfers between different banks, however, might experience longer delays. Toss into the equation weekends and public holidays, the gap between paid and received could

extend by two or three days. So, leaving the bills until the last minute may result in financial loss that could have been avoided by allowing an extra day or more up front.

Occasionally bills come one on top of the other, and this can place a strain on a tight budget. Receiving a couple of heavies due round about the same time is a shock to the system. If these are just one-off, there's nothing to do but bite the bullet and pay them. There are those, however, such as insurance premiums and vehicle registration fees which are on-going and large single payments. Frequently there is the option to pay the annual fee in instalments – monthly, quarterly and half-yearly. Generally, these will incur a small penalty in terms of a lost discount for payment in full; but by accepting this for the odd one or two accounts, due dates of bills can be manipulated so that they are spread throughout the year. As an example: the car registration and insurance fall due in the same month, which just happens to be December, an expensive time of year. By paying the insurance for three months just this once; when it is due next, to pay the full year's premium means that: come next year the registration is still due in December, while the insurance has moved to March. Take this a stage further and pay three months on the insurance and six months on the rego, and neither of them will hit the holidays ever again. Provided, that is, they continue to be paid on time.

Unfortunately, despite good intentions, any time may be inconvenient for some. People who are struggling to make ends meet tend to fall behind with the bills. This applies especially to rent and utilities. The latter can creep up with a vengeance, particularly during the hot and cold seasons when heating and cooling are essential. The providers of the services are usually tolerant of late payments, but only up to a point; after which they will cut supply. But they aren't inhuman and are prepared to negotiate. A simple phone call is all it takes to explain the situation and ask for a payment plan which suits both parties. Nine times out of ten, most creditors will consider this form of payment. Getting back what is owed eventually is, to them, better than whatever a law suit for recovery is going to cost them.

Applied to everyone, keeping an up-to-date record of accounts due is essential. That way, staying on top and on time is easier; and it will ensure a rosier future, financially speaking.

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