

Pay Utility Bills on Time – Prevent Late Fees (Arc 4.8120)

(The analysis below was extracted from one of the assessment reports by the Clemson University Industrial Assessment Center (IAC). This is only an example recommendation and hence, not all the background information and sources for numbers are included here.)

<i>Est. Total Cost Savings</i>	<i>= \$4,249.81 /yr</i>
<i>Est. Implementation Cost</i>	<i>= \$0</i>
<i>Simple Payback Period</i>	<i>= 0 months</i>

Recommended Action:

It is recommended to pay your utility bills, electric, water or natural gas on time (due date) to prevent late fees (penalty & admin) costs added to next month utility bill.

Background:

The company has several months when the utility bills (electric service) were not paid by the due date on the respective invoice. The company was charged late fees and, in some cases, also administrative fees for invoice processing. Both can be eliminated when the utility bills are paid by the due date (on the invoice).

Anticipated Savings:

Total Cost Savings = Late Fees = \$4,249.81 per year

Implementation Cost:

Implementation Cost (IC) for this recommendation is \$0 because it is change in work culture and needs no capital investment.

$$\mathbf{IC = \$0}$$

Simple Payback Period:

If implemented, the recommendation will yield savings from the first month. So, the simple payback period is 0 months or immediate.

$$\mathbf{SPP = 0\ months}$$