

THE TRUE COST OF INVOICING



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How Much More Does It Cost You To Create Invoices Instead of ACH Debits?

The answer may surprise you. The following information is a general assessment of these costs. Your individual costs may vary, but figures are based on real world models.

ITEM	500 TRANSACTIONS / MONTH		5,000 TRANSACTIONS / MONTH	
	500 INVOICE COST PER INVOICE	500 ACH DEBIT COST PER TRANSACTION	5,000 INVOICE COST PER INVOICE	5,000 ACH DEBIT COST PER TRANSACTION
Postage	\$0.37	N/A	\$0.24	N/A
Envelope (outgoing)	\$0.07	N/A	\$0.04	N/A
Envelope (return)	\$0.07	N/A	\$0.04	N/A
Invoice / Paper	\$0.08	N/A	\$0.05	N/A
Equipment Depreciation / Supplies	\$0.03	N/A	\$0.03	N/A
Posting / Lock Box	N/A	N/A	\$0.20	N/A
Deposit Fee / Bank	\$0.05	N/A	N/A	N/A
Labor Cost (Production)	\$0.53	N/A	\$0.26	N/A
Labor Cost (Posting)	\$0.53	N/A	\$0.26	N/A
2nd Notice	\$0.09	N/A	\$0.09	N/A
3rd Notice	\$0.03	N/A	\$0.03	N/A
Additional Labor (Notices)	\$0.35	N/A	\$0.25	N/A
Phone Calls / Late Payments	\$0.21	N/A	\$0.21	N/A
Cost of Funds (Lost Interest)	\$0.14	N/A	\$0.14	N/A
Opportunity Loss	Varies	N/A	Varies	N/A
Transaction Fee	N/A	\$0.35	N/A	\$0.35
TOTAL COST PER INVOICE / BILL	\$2.55	\$0.35	\$1.84	\$0.35
TOTAL COST PER MONTH	\$1,275.00	\$175.00	\$9,175.00	\$1,750.00

SUMMARY		
ITEM	500 Transactions Per Month	5,000 Transactions Per Month
Cost Of Invoicing	\$1,275.00	\$9,175.00
Cost Of ACH Debit Transactions	\$175.00	\$1,750.00
YOUR SAVINGS EACH MONTH	\$1,100.00	\$7,425.00
YOUR SAVINGS EACH YEAR	\$13,200.00	\$89,100.00

In summary, the cost of your payments must include not only the actual cost per transaction (transaction fee or discount rate), but also the real numbers you spend for labor and the time you wait to receive the funds. While many of these can be considered “cost-of-businesses” expenses (labor costs, settlement times and bank fees), if there was a way to reduce or eliminate these expenses (and thereby increase profits), would you make the change?