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Computer Corner

Paperless Billing, Communication in 2014

The March issue of *The Kansas Lifeline,* Computer Corner addressed the USPS new First Class Mail regulations and how they apply to water districts and cities. Now let's do a follow up and talk about the alternatives to First Class mail billing and payments.

F irst an update on the subject of last issues article **"Neither Snow Nor Rain Nor Hard Drive Crash ... Communication in 2014"**. In order to write an article on communication in 2014, we have done a great deal of communicating with the United States Post Office. We knew there were some deficiencies with the online USPS IMsb tool interface. Contacts made at the USPS, while researching the article, allowed us to do more than just report on them, but to actually effect change for the better.

Merle Windler, my business partner and hubby (titles not necessarily listed in order of importance) was on the phone constantly, passed up the line from one postal official to the next, until finally he was speaking to the supervisor over the entire IMSB Full Service Software Tool implementation project. He was told that all across the nation they had been having problems with utilities and municipalities having trouble complying with the new standards. This came as no surprise to Merle as he had seen some of these difficulties first hand. Merle found this postal executive receptive and interested in his

observations so he was able to enumerate the programming design problems needing to be addressed. They were as follows:

1. The documentation and file structures defined for submission of Addresses for correction and sorting for Full Service did not allow for the submitter to have a unique customer number, customer ID or other unique field to link corrections to the addresses easily back to the original data. Instead, the postal documentation required using the name or address fields to link corrections back, which were not unique fields. . . this would make posting changes unnecessarily complicated and in some cases not even possible.

2. The logic for how the USPS definitions for Address and second Address fields were backwards from how most records are designed out in the "real world".

3. When the Zip Code was returned with corrections it was lumped together with the City and State as one clump of data in a single field making some unnecessary data manipulation by the user to post only the corrected zip code data back to the correct field.

4. Misinformation and just plain incorrect information about file structure submission requirements both on the USPS website and being given by USPS Representatives that supposedly were the ones responsible for working with the public in meeting these new standards and on the website docs.

Merle was very impressed with how quickly this person addressed these points. Just recently, he was informed by this same contact at the USPS Mail Entry and Payment Technology Headquarters, that the remaining items he recommended be changed, were in the works with an expectation of being implemented by October 2014 for everyone everywhere throughout the county.

Pretty cool. . . the entire USPS electronic Full Service online processing system is being changed to implement some recommendations Merle had the occasion to point out while doing in depth research for the Lifeline Magazine.

End of Update for last issue's article...

"Neither Snow Nor Rain Nor Hard Drive Crash ... Communication in 2014" Update

Now ... Paperless Billing, Communication in 2014

Email Billing ...

Those interested in offering customers an option for paperless billing need to do their homework. (1) What email service is the district or city using? (2) The most common email services use the SMTP (Simple Mail Transfer Protocol) standard for email communication. Find your SMTP server name. For example... smtp.gmail.com would be the SMTP server name for Google. (3) Find out the SMTP port for out going mail, not to be confused with the incoming email port. For example... the port for gmail is 465. (4) Does the email have SSL (Secure Sockets Layer) encryption turned on to prevent prying eyes on the Internet from reading emails. (5) Is there a limit per hour or per day to the number of emails you can send? The ISP (Internet Service Provider) will know the answers to these questions.

Internet providers can help with a wealth of information. A very common Internet service provider in Kansas is Cox Cable. Cox has a default daily limit of 200 emails per day. Any emails beyond this number may not be successfully sent, however, a quick phone call to their customer support would direct the user to go to massmailing.coxmail.com and fill out an electronic form asking things like, number of emails expected to be sent, how frequently will this be needed? From what email address will these be sent or replied to? Will there be any other parties or companies involved in sending these emails on the district of city's behalf? After a couple days or so, the daily limit may be increased to a number that will allow sending paperless bills without a problem. Increased authorization is good for one year.

There probably isn't a person who has worked at utility billing for any length of time without hearing a customer say something to the effect of, "I shouldn't get any late charge, I never even got my bill!" That's when the person in the office must bite their tongue to keep from asking, "How old are you anyway, aren't you an adult and know that you are to receive a utility bill around the same time each month?" Yes, it should be common sense that if they REALLY haven't received their bill on schedule they should be calling the office to report it and get the needed information. It's a sure bet that once in a while there will be a customer that for some reason doesn't get their email bill, possibly because they unknowingly tossed it in the virtual trashcan themselves. There could also be those who just fail to pay then claim they didn't get it. Either way, we always suggest that no one be signed up for email without first signing an agreement that has them accepting the responsibility for reporting a failure to receive their bill on time. The following letter is a composite, some of the best points, of letters some of our customers are having their patrons sign in order to go to paperless billing, i.e. email bills. A single fill-in-the-blanks form could be used or if the

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Water District or City Name
(Letterhead paper or filled in by the computer)
City Address
City, State ZIP
Phone Number if Desired
Water District or City Email Address

Month Day, Year

_____
Customer's Name (This can be arranged to fit in a window envelope for mailing)
Customer's Address _____
City, State ZIP _____

Subject: Paperless Email Billing
Customer Account Number: Customer Account Number Here

Dear Customer's name here:
The District/City wants to provide utility customers a choice for paper-less/email billing to replace the traditional billing through the US Postal Service. If you wish to convert your account, Account Number filled in here by Mail Merge, fill out the form and return it to the address listed at the top of the page or bring it by the water office.
Yes, I want my bill emailed, each month. I understand that paper bills will cease to arrive in two months time and I should expect to receive only an email bill each month within the first five days of each new month. (This text will, of course vary from one water system to the next) I am aware that if I do not receive an email bill at that time, then it is my responsibility to contact the water office between the hours of 8AM and 4PM, weekdays, excluding holidays, in order to get the information needed to pay my bill on time and avoid any late charges.

My Email Address is _____

utility software the district or city uses provides the ability for Mail Merge each letter can be easily customized to each account with no extra effort as follows. The words in italics represent the information filled in from the utility billing database by the software's mail merge feature. i.e. 'token' of information like name, address, etc.

Bills will be sent out by US mail and email for the first two of months to ensure that everything is working correctly. Once WATER DISTRICT OR CITIES NAME HERE is confident that everything is working correctly, paper billing will cease. If you do not begin to see your email bill within two months of sending in this letter of agreement, contact the office at OFFICE PHONE NUMBER HERE.

If Late notices are also to be emailed, add this...

Late notices will also be emailed but a claim of failure to receive a late notice will not be accepted as a reason for not paying a bill, as the bill would have already provided the needed information and, again, it is the customer's responsibility to report not receiving a bill.

During the recent Kansas Rural Water Association Conference and Exhibition one of our customer's showed up at our booth grinning about how thrilled she was with many of her customer's reaction to email billing. She told us how just before leaving for the show she followed up the bills with late notice reminders, a little chore that took almost no time and had not cost as much as US mail would. She told of how only about thirty minutes after she sent them out, one of her customers who had been out running errands, had received the notice on her cell phone and came to the office straight away to get her bill paid. She said the customer was so greatful to get that reminder, as the bill had slipped her mind. When our customer suggested her client could use automatic bill payment her customer signed up for it on the spot.

Another of our customers, delighted to now be sending many of her bills by email, told us that she estimates that email billing will save her district around $3,000 in a year's time. Of course the savings a district can expect depends on how big they are and how many customers sign up.

Automatic Bill Payment:

NACHA (National Automated Clearing House Association) – Commonly referred to as ACH (Automated Clearing House)

A few mouse clicks and a file is generated compliant with Federal Reserve Banking System standards to automatically pay the bills of those customers signed up for the service. This file is then provided to the water utility's bank and the monies are electronically transferred from customer bank accounts, regardless of where they bank, into the water utility bank account in payment of water bills due. Not all utility departments use the same method of providing this file to the bank. The most

automated example would be those that are set up to send the file electronically, i.e. over the Internet following federal guidelines for secure transfer of data. Others use what we jokingly refer to as the "Sneakernet" method, i.e. they pull on their sneakers and run a CD or USB drive over to the bank themselves. Sometimes there are small towns that print out a list, though most banks these days will not accept a list because it makes more work for them and is more prone to human error.

Our customers are reporting that there seems to be a very strong correlations between those signing up for email bills and late notices and those signing up for ACH Automatic Bill Payment. Of course, those customers signed up for ACH automatic bill payment don't have to worry about getting late charges, late notices or disconnection notices. The email bill simply serves as notification of the amount that will be deducted automatically from their bank account and paid to the water utility for this period's water usage.

Internet Billing/Web Payment

It is starting to become more common to provide online bill payment options on the water system website. Typically, this involves an agreement with an online bill payment service provider. An icon is added to your website to 'Pay Bill Now'. A data file is provided from the Utility Billing software after monthly bill calculation to the online bill payment service that includes the required customer information. Most customers don't realize that when they click the 'Pay Bill Now' button they are no longer on the water system website, but instead on a secure credit/debit card payment screen. Payments received and payment information is then sent as an ACH Bank Deposit to the water system checking account and a payment file is sent for auto posting of payments received.

Staying in Touch in 2014

While monthly billing is the most frequent way a water office communicates with customers, there are sometimes other reasons to reach out. It may be because the customer is behind in payments and is in danger of being shut off, or it may be for a boil order warning, or it could be an emergency notify to a customer like a beauty salon

that their water will be off for maintenance so some poor woman doesn't get caught with a head full of permanent solution.

It is ideal to have the billing software also serve as a database for information like phone numbers. These days, that might amount to quite a list including a home land line, his work phone and maybe his other work phone (along with times of day and days of the week on the job), her work phones, his cell phone, her cell phone, her email address, his email address, and so on.

If there is an emergency and there is no answer at the home phone, and an email or mobile number are on file, perhaps the customer can be contacted by email, instant message or text.

Jay Leno made a quip I enjoyed, he described with great excitement how wonderful it was these days that with the advent of email, tweeting, and especially texting, one merely needed to type out a message and hit a button, sending a thought out into the world. He then, with even greater enthusiasm, went on to say, that he looked forward to the day when someone would invent a way that no one would need to take the time to type a message, but, instead, could just speak into a device and send their thoughts sailing across continents and... oh... wait... we can do that now! He was of course making fun of all the fuss about tweeting, texting, blogging, etc, when, in a way, those technologies seem like a step backwards from just calling someone on a phone. I could relate to that humor as I get very tired of chatting with someone in person while they are only half listening as they read and type texts all the while. I also see that at times these technologies are useful and appropriate. In fact, I am going to use one of those right now and send this article to my husband via email for him to proof read and see if he has anything to add.
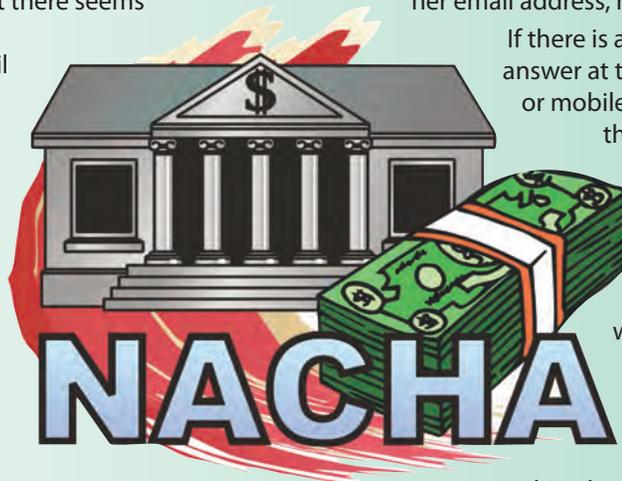
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