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What Kind of Bill Payer are You?

By Kathy Jenkins, CPO®, CFMC®

There are two types of bill payers: those who pay the bills the day they arrive (individual payers) and those who pay a group of bills when they get paid (batch payers). It doesn't really matter which one you are; what matters is that you pay the bills on time and that you have money in the bank when they clear.

If you are a traditionalist, you probably like to write the checks, stick them in an envelope and send them off in the US mail. There is a feeling of knowing, for sure, that you have paid the bill. This can be very time consuming when you consider the average household has potentially 10 or more bills that must be paid each month: mortgage/rent, electric, gas, water, phone, cable, insurance, car loan, childcare, and credit cards.

For those who dislike paper there is electronic bill paying. If you currently pay bills electronically you know how easy and efficient it can be, especially for bills that it is true that going electronic is much faster, easier and more convenient. For payments amounts that don't fluctuate from month to month (mortgage/rent, car loans, etc) you can set it up to automatically send the funds so they get there on time every month. For all the others, electronic bill paying only takes a few minutes per bill!

For tracking your income and expenses it doesn't have to be complicated or time consuming. The traditionalists like a transaction register (like the one that comes with your checks), ledger book or a simple sheet of paper that has income in one column and expenses in another. For those living electronically there is Microsoft Money, Quicken or a spreadsheet. In the end, however, what matters is your comfort level in the assurance that the bill was paid and more importantly, you have the money when the check clears.

Now if you're unable to pay all of your bills one month, it's important to know which unpaid bills generate what consequences. It is vitally important these days that you do everything possible to keep your credit rating intact. And if you find yourself continually falling short every month, then it's time to revisit where you are spending your money and what can be cut back.

FYI...here's what happens when payments are skipped:

- ☒ Mortgage or rent payments are the most important; after all it is your shelter we are talking about. The foreclosure process only starts if several payments are missed, but late fees and marks on your credit record happen immediately.
- ☒ Credit cards report missed or late payments immediately. Pay at least the minimum amount due each month to avoid a possible bad mark on your credit.
- ☒ Auto & home insurance payments are typically paid in advance and include a grace period. Health insurance, however, must be kept current in order to avoid losing the coverage.

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- ☑ Car loans may allow a late or partial payment provided you prior payment history is good. Repossession usually only occurs after several months of nonpayment.
- ☑ Utilities are usually more forgiving, notifying you several times prior to discontinuing service. Note that most utilities also offer a budget plan which allows you to pay the same amount monthly for 12 months before it is re-evaluated. This allows you to budget your expenses better and set-up automatic payments electronically.

Times are tough right now. People have lost their jobs or had their hours cut back. Everyone is feeling the pinch. But rather than focusing on the negative, use this as an opportunity to reflect on what is truly important to you and what that actually costs. Sure you need shelter, food, water and clothing, but the things that are of true value generally do not cost a dime!

About the Author

As a [Certified Family Manager® Coach and Love & Logic® Parenting Facilitator](#), Kathy Jenkins can help you run a more organized, efficient, and happy household and raise happy, healthy, responsible, and well-mannered children! Visit www.cometoorderva.com for details on the Family Manager® Assessment & Plan or Love & Logic® Parenting classes or one-on-one coaching.

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