



Fourth Quarter 2022

## Simple Techniques to Avoid Late Fees and Penalties

Back in July, the Wall Street Journal reported a curious trend...people are forgetting to pay bills.

If you find yourself forgetting payments, there could be a number of perfectly normal reasons. As we get older, time seems to go faster and a deadline can be on us before we know it. There's also the problem of too many things on your mind, too many activities that are much more fun than paying bills, or even depression.

The good news is that there are a number of relatively simple changes you can put in place to make certain you don't incur late fees or penalties because time got away from you.

1. If you have the money to pay your bills when they are due, set up automatic payments. Combine automatic payments with alerts from your bank, so you know when bills are paid and the amount.
2. Use credit cards to make utilities payments to assure that you never face a disconnection issue or late payment charge. The catch is to not pay extra to use a credit card for payment and pay your credit cards on time. Credit cards are a very bad and expensive way to borrow money!
3. With regards to paying your credit cards, if you are not comfortable with automatic payments, set up an automatic minimum payment every month so you never pay a late fee as well as interest if you miss a payment.
4. If there are better times of the month to pay your bills, talk to the companies behind the bills to see if you can change the due date to group payments. Then, ideally, you only sit down once a month to pay bills.
5. Set calendar alerts or reminders 10 days, 5 days and/or 1 day before due dates on your digital calendar so alerts show up on your computer, laptop, pad, and/or phone. If you prefer low-tech, put payment dates on your printed calendar for a full year. Include:
  - o Credit cards
  - o Mortgage or rent payments
  - o Car payments
  - o Utilities
  - o Dues
  - o And other regularly scheduled payments.
6. You can hire a bookkeeper to manage your payments and meet with you regularly for signatures on checks. This can be particularly useful if you have a hard time dealing with finances and numbers.
7. If poor money management skills are behind your failure to pay bills on time, you may want to consult a credit counselor. Failing to pay your bills on time is not just an inconvenience, it can get very expensive over time and endanger your credit rating, ability to borrow money and ownership of items purchased through loans.

*Brian Canuthy*

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