

\$hipMatrix

in affiliation with SJ Consulting

Invoice Rate Auditing: Removing the Complexity of Small Parcel Billing

Parcel Invoicing is Complex

Parcel invoicing has evolved from simple to very complex. Back in 2007/2008, FedEx had 476 documented charge codes. UPS, with their older flat file/CSV format, had 68 distinct codes; the newer Billing Analysis Tool (BAT) format had 856 documented domestic charges.

Today, that same FedEx format now has 3,042 documented charge codes, while the UPS BAT format has 2,536 listed charges in their charge description list.

If you are not auditing parcel carriers' invoices, you may be paying too much and not in SOX compliance if publicly traded. ShipMatrix can help you with both such needs.

1985 vs. 2024 UPS Daily Rates

Effective January 1, 1985

GROUND SERVICE									UPS NEXT DAY AIR			UPS 2ND DAY AIR			
ZONES									ZONES			ZONES			
WEIGHT NOT TO EXCEED	2	3	4	5	6	7	8		K	M	WEIGHT NOT TO EXCEED	A	D	E	
1 lb.	\$1.23	\$1.32	\$1.46	\$1.52	\$1.59	\$1.67	\$1.74		1 lb.	\$11.50	\$14.00	1 lb.	\$3.00	\$4.53	\$5.50
2 "	1.24	1.34	1.63	1.73	1.87	2.01	2.16		2 "	12.50	15.00	2 "	4.00	5.71	6.50
3 "	1.32	1.48	1.80	1.95	2.15	2.36	2.57		3 "	13.50	16.00	3 "	5.00	6.89	7.50
4 "	1.40	1.61	1.97	2.16	2.43	2.70	2.99		4 "	14.50	17.00	4 "	6.00	8.07	8.50
5 "	1.49	1.76	2.13	2.37	2.70	3.05	3.40		5 "	15.50	18.00	5 "	6.50	9.25	9.00
6 "	1.57	1.89	2.30	2.59	2.98	3.39	3.82		6 "	16.50	19.00	6 "	7.50	10.43	10.00
7 "	1.65	2.02	2.47	2.80	3.26	3.74	4.24		7 "	18.00	20.50	7 "	8.50	11.61	11.00
8 "	1.73	2.14	2.64	3.02	3.54	4.08	4.65		8 "	19.00	21.50	8 "	9.50	12.79	12.00
9 "	1.82	2.27	2.81	3.23	3.82	4.43	5.07		9 "	20.00	22.50	9 "	10.50	13.97	13.00
10 "	1.90	2.39	2.97	3.44	4.09	4.77	5.48		10 "	21.00	23.50	10 "	11.50	15.15	14.00
11 "	1.98	2.52	3.14	3.66	4.37	5.12	5.90		11 "	22.00	24.50	11 "	12.50	16.33	15.00
12 "	2.06	2.65	3.31	3.87	4.65	5.46	6.32		12 "	23.00	25.50	12 "	13.50	17.51	16.00
13 "	2.15	2.77	3.48	4.08	4.93	5.82	6.73		13 "	24.00	26.50	13 "	14.50	18.69	17.00
14 "	2.23	2.90	3.65	4.30	5.21	6.15	7.15		14 "	25.00	28.00	14 "	15.50	19.87	18.00
15 "	2.31	3.02	3.81	4.51	5.48	6.50	7.58		15 "	26.00	29.00	15 "	16.50	21.05	19.00
16 "	2.39	3.15	3.98	4.73	5.76	6.84	7.98		16 "	27.50	30.00	16 "	17.50	22.23	20.00
17 "	2.48	3.28	4.15	4.94	6.04	7.19	8.40		17 "	28.50	31.00	17 "	18.50	23.41	21.00
18 "	2.56	3.40	4.32	5.16	6.32	7.53	8.81		18 "	29.50	32.00	18 "	19.50	24.59	22.00
19 "	2.64	3.53	4.49	5.37	6.60	7.88	9.23		19 "	30.50	33.00	19 "	20.00	25.77	22.50
20 "	2.72	3.65	4.65	5.58	6.87	8.21	9.64		20 "	31.00	34.50	20 "	21.00	26.95	23.50
21 "	2.81	3.78	4.82	5.80	7.15	8.57	10.06		21 "	33.00	35.50	21 "	23.00	28.13	24.50
22 "	2.89	3.91	4.99	6.01	7.43	8.91	10.48		22 "	34.00	36.50	22 "	23.00	29.31	25.50
23 "	2.97	4.03	5.16	6.23	7.71	9.26	10.89		23 "	36.00	37.50	23 "	24.00	30.49	26.50
24 "	3.05	4.16	5.33	6.43	7.92	9.49	11.31		24 "	36.44	38.50	24 "	24.00	31.67	27.50
25 "	3.14	4.28	5.49	6.65	8.26	9.95	11.72		25 "	37.00	39.50	25 "	26.00	32.85	28.50
26 "	3.22	4.41	5.66	6.87	8.54	10.29	12.14		26 "	38.50	41.00	26 "	27.00	34.03	29.50
27 "	3.30	4.54	5.83	7.08	8.82	10.64	12.56		27 "	39.50	42.00	27 "	28.00	35.21	30.50
28 "	3.38	4.66	6.00	7.30	9.10	10.98	12.97		28 "	40.50	43.00	28 "	28.00	36.39	31.50
29 "	3.47	4.79	6.17	7.51	9.38	11.33	13.39		29 "	41.50	44.00	29 "	30.00	37.57	32.50
30 "	3.55	4.91	6.33	7.72	9.65	11.67	13.80		30 "	42.50	45.00	30 "	31.00	38.75	33.50
31 "	3.63	5.04	6.50	7.94	9.93	12.02	14.22		31 "	43.50	46.00	31 "	32.00	39.93	34.50
32 "	3.71	5.17	6.67	8.15	10.21	12.36	14.64		32 "	45.00	47.50	32 "	33.00	41.11	35.50
33 "	3.80	5.29	6.84	8.37	10.49	12.71	15.05		33 "	46.00	48.50	33 "	34.00	42.29	36.50
34 "	3.88	5.42	7.01	8.58	10.77	13.05	15.47		34 "	47.00	49.50	34 "	35.00	43.47	37.50
35 "	3.96	5.54	7.17	8.71	11.05	13.39	15.88		35 "	48.00	50.50	35 "	36.00	44.65	38.50
36 "	4.04	5.67	7.34	9.01	11.32	13.74	16.30		36 "	49.00	51.50	36 "	36.50	45.83	39.00
37 "	4.13	5.80	7.51	9.22	11.60	14.09	16.72		37 "	50.00	52.50	37 "	37.50	47.01	40.00
38 "	4.21	5.92	7.68	9.44	11.88	14.43	17.13		38 "	51.00	53.50	38 "	38.50	48.19	41.00
39 "	4.29	6.05	7.85	9.65	12.16	14.78	17.55		39 "	52.00	55.00	39 "	39.50	49.37	42.00
40 "	4.37	6.17	8.01	9.86	12.43	15.12	17.96		40 "	53.00	56.00	40 "	40.50	50.55	43.00
41 "	4.46	6.30	8.18	10.08	12.71	15.47	18.38		41 "	54.50	57.00	41 "	41.50	51.73	44.00
42 "	4.54	6.43	8.35	10.29	12.99	15.81	18.80		42 "	55.50	58.00	42 "	42.50	52.91	45.00
43 "	4.62	6.55	8.52	10.51	13.27	16.16	19.21		43 "	56.50	59.00	43 "	43.50	54.09	46.00
44 "	4.70	6.68	8.69	10.72	13.55	16.50	19.63		44 "	57.50	60.00	44 "	44.50	55.27	47.00
45 "	4.79	6.80	8.85	10.93	13.82	16.85	20.04		45 "	59.00	61.50	45 "	45.50	56.45	48.00
46 "	4.87	6.93	9.02	11.15	14.10	17.19	20.46		46 "	60.00	62.50	46 "	46.50	57.63	49.00
47 "	4.95	7.06	9.19	11.36	14.38	17.54	20.88		47 "	61.00	63.50	47 "	47.50	58.81	50.00
48 "	5.03	7.18	9.36	11.58	14.66	17.88	21.29		48 "	62.00	64.50	48 "	48.50	59.99	51.00
49 "	5.12	7.31	9.53	11.79	14.94	18.23	21.71		49 "	63.00	65.50	49 "	49.50	61.17	52.00
50 "	5.20	7.43	9.69	12.00	15.21	18.57	22.12		50 "	64.00	66.50	50 "	50.50	62.35	53.00
51 "	5.22	7.47	9.74	12.06	15.28	18.66	22.23		51 "	64.50	67.00	51 "	50.50	62.65	53.00
52 "	5.24	7.50	9.78	12.11	15.35	18.75	22.33		52 "	65.00	67.50	52 "	51.00	62.94	53.50
53 "	5.26	7.53	9.83	12.17	15.42	18.84	22.43		53 "	65.00	68.00	53 "	51.00	63.24	53.50
54 "	5.28	7.56	9.87	12.22	15.49	18.93	22.54		54 "	65.50	68.00	54 "	51.00	63.53	54.00
55 "	5.30	7.59	9.91	12.28	15.56	19.02	22.64		55 "	66.00	68.00	55 "	51.50	63.83	54.00
56 "	5.32	7.62	9.96	12.33	15.63	19.11	22.74		56 "	66.00	68.50	56 "	52.00	64.12	54.50
57 "	5.34	7.66	10.00	12.38	15.70	19.20	22.85		57 "	66.00	68.50	57 "	52.00	64.42	54.50
58 "	5.36	7.69	10.04	12.44	15.77	19.29	22.95		58 "	66.50	69.00	58 "	52.50	64.71	55.00
59 "	5.39	7.72	10.08	12.49	15.84	19.38	23.05		59 "	66.50	69.00	59 "	52.50	65.01	55.00
60 "	5.41	7.75	10.13	12.55	15.90	19.47	23.16		60 "	67.00	69.50	60 "	53.00	65.30	55.50
61 "	5.43	7.78	10.17	12.60	15.97	19.56	23.26		61 "	67.00	69.50	61 "	53.00	65.60	55.50
62 "	5.45	7.81	10.22	12.66	16.04	19.65	23.36		62 "	67.50	70.00	62 "	53.00	65.89	56.00
63 "	5.47	7.84	10.27	12.71	16.11	19.74	23.47		63 "	67.50	70.00	63 "	53.00	66.19	56.00
64 "	5.49	7.88	10.30	12.76	16.18	19.83	23.57		64 "	68.00	70.50	64 "	53.50	66.48	56.00
65 "	5.51	7.91	10.35	12.82	16.25	19.92	23.67		65 "	68.50	71.00	65 "	54.00	66.78	56.50
66 "	5.53	7.94	10.39	12.87	16.32	20.01	23.78		66 "	69.00	71.00	66 "	54.00	67.07	56.50
67 "	5.55	7.97	10.43	12.93	16.39	20.10	23.88		67 "	69.00	71.50	67 "	54.50	67.37	57.00
68 "	5.57	8.00	10.48	12.98	16.46	20.19	23.98		68 "	69.00	71.50	68 "	54.50	67.66	57.00
69 "	5.59	8.03	10.52	13.04	16.53	20.28	24.09		69 "	69.50	72.00	69 "	55.00	67.96	57.50
70 "	5.61	8.06	10.56	13.09	16.60	20.37	24.19		70 "	69.50	72.00	70 "	55.00	68.25	57.50

ANY FRACTION OF A POUND OVER THE WEIGHT SHOWN TAKES THE NEXT HIGHER RATE

NEXT DAY AIR LETTER \$8.50 ZONE L

ADDITIONAL CHARGES:
 For each 250 lbs. in excess of 250 lbs. — \$1.90
 For each additional 100 lbs. — \$1.90
 For each 100 lbs. in excess of 100 lbs. — \$1.90
 For each 100 lbs. in excess of 100 lbs. — \$1.90
 For each 100 lbs. in excess of 100 lbs. — \$1.90

WEIGHT AND SIZE LIMITS:
 Maximum weight for air service — 70 pounds
 Maximum length for air service — 108 inches
 Maximum girth for air service — 52 inches
 Minimum charge for a package measuring over 36 inches in length and 18 inches in girth is \$10.00
 Charge for a package weighing 25 pounds — \$10.00

AIR RESTRICTIONS:
 This information is for use on air service packages a \$25.00 and the maximum carrier liability is \$25.00.
 Not all UPS services are available in all areas.
 Hazardous materials are prohibited in UPS service.
 Some air shipments may be subject to Surface Transportation Rules for Next Day Air Letter (2) Pacific (3) other (4) other (5) other (6) other (7) other (8) other (9) other (10) other (11) other (12) other (13) other (14) other (15) other (16) other (17) other (18) other (19) other (20) other (21) other (22) other (23) other (24) other (25) other (26) other (27) other (28) other (29) other (30) other (31) other (32) other (33) other (34) other (35) other (36) other (37) other (38) other (39) other (40) other (41) other (42) other (43) other (44) other (45) other (46) other (47) other (48) other (49) other (50) other (51) other (52) other (53) other (54) other

Why is Invoice Rate Auditing *SO* Important...

Mistakes Happen!

While never intentional, mistakes happen during the invoicing process.

It's up to each shipper to monitor their invoices for errors. ShipMatrix reviews invoices at charge level (some carriers have **THOUSANDS** of different charges) to help make sure you aren't overpaying for your shipping.

Invoice variance reports are downloadable into Excel for easy submission to carriers.

Understanding the Impact of Billing Errors

Recent incidents involving major financial institutions have highlighted the detrimental effects of billing errors. For example, Vanguard Group faced fines and censure for overstating projected yield and annual income in money-market funds. As a result, incorrect information was conveyed to customers [Source 1]. Similarly, JPMorgan Chase encountered a glitch in its payment app. This resulted in duplicate charges for some customers [Source 2]. These incidents underscore the potential consequences of inaccurate financial reporting and emphasize the need for meticulous invoice auditing.

Sources: https://shipmatrix.com/wp-content/uploads/2023/06/Vanguard-Fined-for-Misleading-Customers_WSJ-June-1_2023.pdf

https://shipmatrix.com/wp-content/uploads/2023/06/JPMorgan-Chase-Working-to-Reverse-Double-Payments-on-Zelle_WSJ-June-3_2023.pdf

Billing Error Examples



A 180 day invoice review for a new customer showed substantial rate variance. The carrier had incorrectly loaded the rates and our customer landed a \$250,000 check and an *apology* from the carrier.



A shipper with a contract waiver was charged \$15,000 in *one week* in Service Charges. ShipMatrix alerted the customer, saving them \$780,000 on an *annual* basis.



ShipMatrix discovered a customer with a rate cap was billed \$100,000 in overcharges after the rate increase for the new year. The carrier made the corrections and thanked the shipper for the quick identification



For a retailer, ShipMatrix identified multi-weight parcels billed as single piece due to induction at two facilities. ShipMatrix saved the customer more than \$1.5 million per year or 10% of total parcel spend

The Crucial Role of Parcel Invoice Auditing

Parcel invoice auditing plays a very important role in ensuring accurate reporting and preventing billing errors. By conducting regular and thorough audits of shipping-related charges, businesses can identify discrepancies, rectify errors, and maintain accurate billing.

Parcel invoice auditing offers the following key benefits

Error Detection and Resolution

Comprehensive invoice analysis helps shippers identify billing errors such as incorrect rates, surcharges, or fees. Promptly addressing these discrepancies not only prevents financial losses but also maintains trust with their service providers and their customers.

Cost Savings and Optimization

Invoice auditing allows businesses to identify areas of potential cost savings and optimization. By scrutinizing shipping-related expenses, organizations can uncover inefficiencies, renegotiate contracts, and streamline processes, resulting in improved cost efficiency and operational effectiveness.

The Crucial Role of Parcel Invoice Auditing

Parcel invoice auditing offers the following key benefits (cont.)

Contract Compliance

Compliance with contractual agreements is vital for shippers and small parcel carriers. Parcel invoice auditing ensures that invoicing practices align with guidelines and contractual agreements, reducing the risk of penalties, disputes, and non-compliance.

Data-Driven Insights

Effective invoice auditing provides shippers with valuable data and insights derived from the analysis. These insights enable organizations to make informed decisions, identify trends, and drive strategic initiatives, ultimately improving overall shipping operations.

ShipMatrix's parcel invoice auditing can help!



SMx line item rating ensures you are being billed at the rates you negotiated



Be confident that you are being billed according to your contract, not paying for shipping charges of other companies, for parcels that never got shipped, or duplicate charges for the same parcels with ShipMatrix's parcel invoice auditing



ShipMatrix customers are incorrectly billed for up to \$8 million per *year* on parcel invoices.

Customer Testimonials



Satish and his team's knowledge and industry insight is second to none. We know who to contact when we have a question regarding anything from a new accessorial to a carrier in financial trouble.

Parker Hannifin *Team*



We have grown our relationship into such a strategic partnership that continues to provide substantial operational improvements in addition to financial savings

Tommy Hilfiger *Team*



Thank you for your support of Garmin and I look forward to continuing our mutually beneficial relationship for many years.

Garmin *Team*

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Find out what ShipMatrix parcel invoice auditing can do for your business. Click the link below to get started.

[Get Started](#)