

Reading bills and statements



Learner guide

Working with numbers

Pre-employment skills

Reading bills and statements

Version 1.1



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Reading bills and statements

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Receipts and invoices/bills

In maths, numbers and calculations are very important. However, it is just as important to know how to read documents that contain numbers and words – maths and English used together. These skills are very important as they help you to understand bills and statements.

In this learner guide you will learn:

- the meaning of the words used on bills
- how to check that a bill is correct
- how to find the right numbers among all the words
- different ways of paying everyday bills.

Activity 1

1. Use the dictionary to look up the meanings of the following words. Write the meanings in your own words to make it easier for you to remember them.

a. Receipt

b. Invoice

c. Bill

d. Statement

2. Which of the words in Question 1 are different names for the same thing?

Click to complete Activity 1

Story

Haley is a young student who has recently moved out of home to be closer to the TAFE where she is studying. At school, year 11 and 12 were hard for Haley, especially maths. Even though she loves doing things by herself, Haley knows she needs help to understand and pay bills. She knows that one mistake may cost her a lot of money, which she doesn't have! Haley does have some birthday money saved up, though, and she is ready to spend it. She loves listening to music when she studies, so she wants to buy a new MP3 player.

Receipts

As you have learnt, a receipt is a record of your purchase. Receipts may vary between stores, but they usually show:

- the name and address of the store where you purchased something
- the date and time of your purchase
- the items you purchased
- the cost of each item
- a total cost
- a GST amount (this is the goods and services tax amount, which is 10% of the total purchase added on to the purchase price)
- how you paid for your purchase; for example, by cash or credit card.

You should always check your receipt after you make a purchase to check that what you have bought has been listed correctly.

Activity 2

Haley buys her MP3 player on 15 July 2016 from Music Galore. It costs her \$279, which she pays in cash. When she gets her receipt she checks that the details are correct. She checks the:

- date
- amount
- item description.

Check the receipt below. Are these details correct?

Music Galore
High St
Townville

15/7/2016

Item: 1 Sany 16GB MP3 player – red.

Subtotal \$279.00

Incl. GST \$ 25.36

Total \$279.00

Cash \$279.00

Thank you for shopping at Music Galore

[Click to complete Activity 2](#)

Invoices/bills

An invoice (or a bill) is a statement of how much you owe (need to pay) for goods or services. For example, you may go to the dentist and have the bill sent to your home address. The bill tells you how much you owe for your appointment. Like receipts, invoices and bills vary between organisations, but all usually show:

- the name and address of where you purchased the goods or services
- the date of your purchase
- the items/service you are being charged for
- the total amount owing
- when you must pay the bill by.

Other examples of invoices/bills are electricity bills and mobile phone bills.



Story

Haley's friend, Claire, has just had a baby, so Haley wants to send her some flowers. She rings the florist her family uses and orders a bunch of flowers to be delivered to her friend in hospital. Haley asks the florist to send the bill to her.

Activity 3

Here is the invoice Haley receives. She had ordered one bunch of pink and white roses, which cost \$45, to be delivered to her friend at St Betterhealth Hospital in Mossman. The cost for delivery is \$7.

Are the details on the invoice correct? Should Haley pay the bill?

INVOICE		Flower Palace Bloom Street Gardenville
28 July 2016		
To: Haley Hong		
Item: One bunch pink and white roses		
Delivered to: Claire McPherson, St Betterhealth Hospital, Mossman – room 415		
Amount:	\$45.00	
Delivery:	\$ 7.00	
Incl. GST:	\$ 4.72	
TOTAL:	\$62.00	
<i>Please pay within 7 days</i>		

[Click to complete Activity 3](#)

Paying service bills

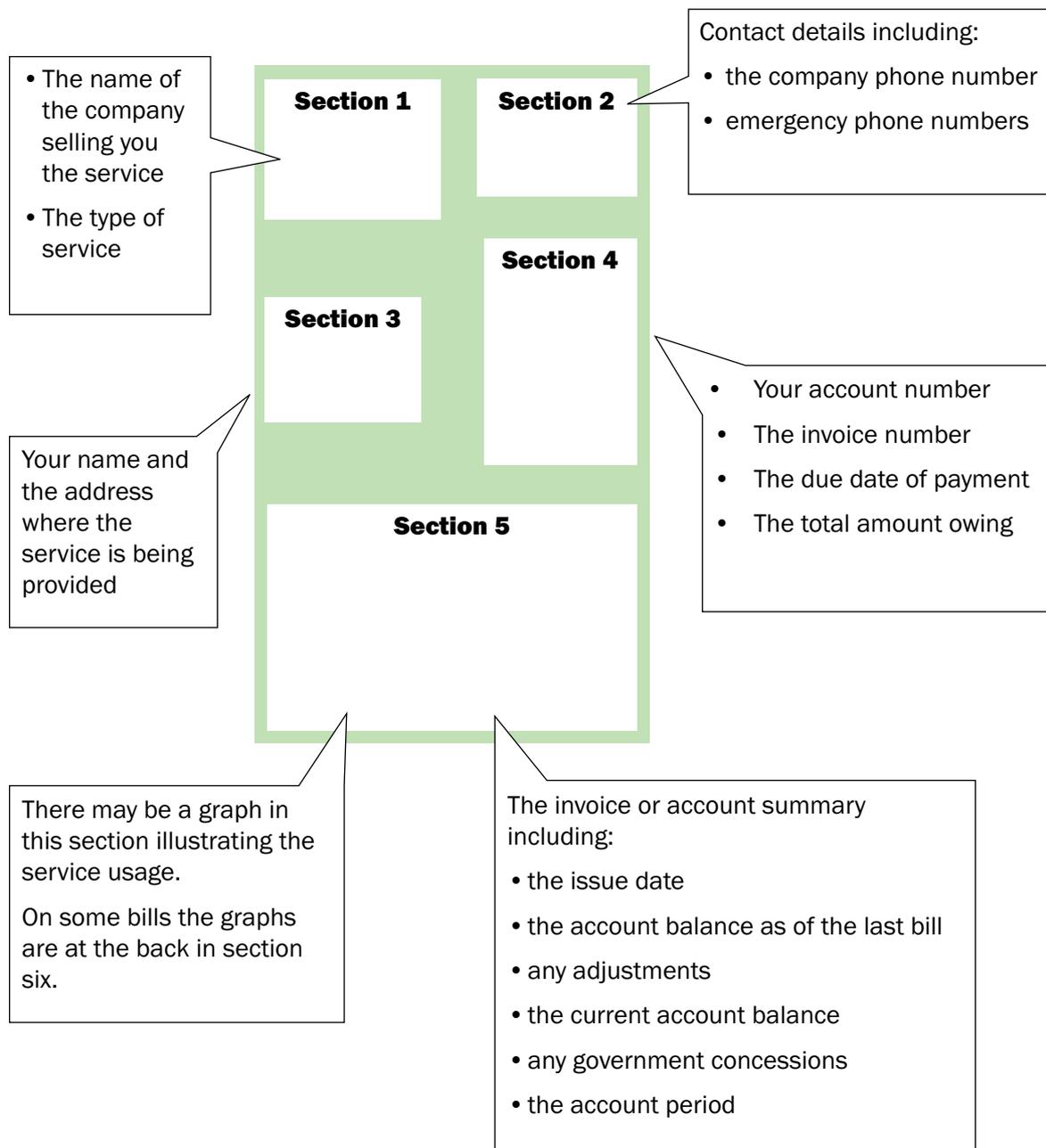
When you live away from home, you must pay service bills. These are bills for using electricity, gas, water and the telephone – services you use every day. These bills contain a lot of information and are usually divided into sections. The sections may not always be in the same spots on different bills, but the information will be there. Here is a list of the sections on service bills and the information in each section.

Section	Details/information
1	The name of company selling you the service The type of service you are being billed for
2	The contact details, such as company and emergency phone numbers
3	Your name and your address
4	Your account number The invoice number The due date of payment The total amount owing
5	An invoice or account summary, which may list: <ul style="list-style-type: none"> • the issue date • the account balance as of the last bill • any adjustments to the account • the current account balance • any government concessions (discounts) • the account period and usage details (possibly on a graph)
6	Details of how much and how you use the service The account period
7	Your payment slip with a: <ul style="list-style-type: none"> • list of ways you can pay your bill • copy of the information from section 2
8	A section: <ul style="list-style-type: none"> • explaining any terms used on the bill • containing a phone number for payment assistance if you have trouble paying on time • explaining any other services the company can offer you

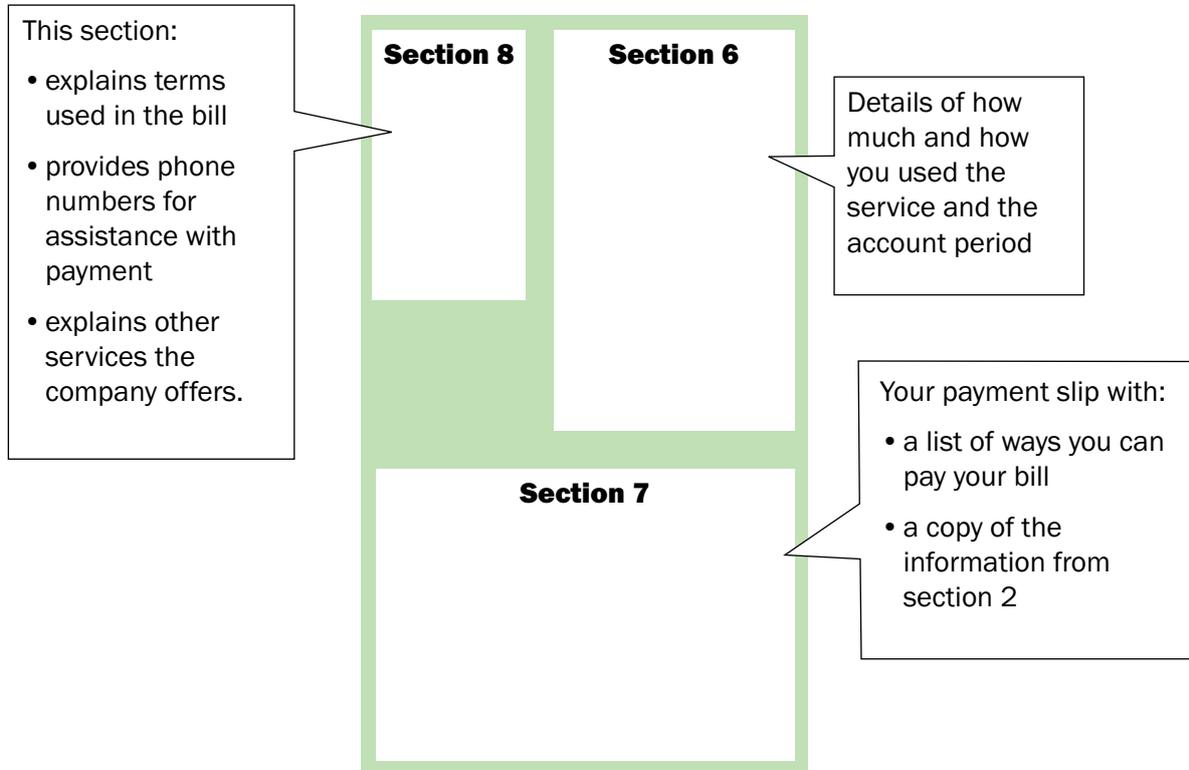
A service bill for gas or electricity usually contains all these sections. Service bills are easier to read if you are familiar with the areas of the bill where you can find each section.

Often, gas or electricity bills have five sections on the front of the bill and three sections on the back. Each section contains the details listed previously, for the service you are paying for.

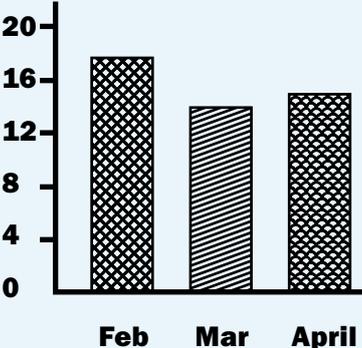
Here is an example of where you can find the five sections on the front of a gas or electricity service bill.



Here is an example of the three sections on the back of a gas or electricity service bill.



Here is an example of an electricity bill. Remember, this is an example only and other bills and statements may differ.

		Visit: www.elektroco.com.au Call: 1800 123 456 For emergencies: 1800 911 911									
Tax invoice		Account number: 987 654 678 Invoice number: 12321X									
Ms Haley Hong 1A Sweet Street Gardenville		New charges: \$159.70 New charges due: 3 August 2016 Total amount due: \$159.70									
Daily use (average) kW		Account summary									
 <table border="1"> <caption>Daily use (average) kW</caption> <thead> <tr> <th>Month</th> <th>Average Daily Use (kW)</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>17</td> </tr> <tr> <td>Mar</td> <td>13</td> </tr> <tr> <td>April</td> <td>14</td> </tr> </tbody> </table>		Month	Average Daily Use (kW)	Feb	17	Mar	13	April	14	Issue date: 19 July 2016 Account period: 18 April 2016 to 17 July 2016 Balance at last account: \$ 0.00 New charges: \$105.40 Service charge: \$54.30 Govt concessions: \$ 0.00 Total amount due: \$159.70 (incl. GST of \$14.52)	
Month	Average Daily Use (kW)										
Feb	17										
Mar	13										
April	14										
See over for payment details.											

Front of bill

Terms explained

Account period: The period of use for which you have been charged.

Govt concession: You are entitled to a discount if you receive an aged pension or a disability pension.

New charges: Any charges occurring within the account period.

Service charge: Cost of providing this service.

Account inquiries: 1800 123 455

Payment assistance: 1800 123 457

How to pay

MAIL – attach payment slip and mail with your cheque.

PHONE – call 1800 123 457 to pay by credit card over the phone.

BPAY – pay via Internet or phone post banking Biller code: 01234 Ref. no.: 987 654 678

IN PERSON – pay this bill at any office or ElektroCo office.

INTERNET – visit www.elektroco.com.au and pay using your credit card.

DIRECT DEBIT – Arrange for your bill to be automatically deducted from your nominated bank account.

Payment slip

For **Ms Haley Hong**

Account number: 987 654 678

New charges due: 3 August 2016

ElektroCo

Total amount due: \$159.70

19 Watt St

Lighton

Back of bill

Activity 4

Use the ElektroCo service bill to answer the following questions.

1. What is the total amount owed?

2. How much GST is included in the total?

3. When is the money due?

4. How many months does this amount pay for?

5. What methods can you use to pay the bill?

[Click to complete Activity 4](#)

Activity 5

Use your own, or someone else's service bill (gas, water, electricity, telephone) to locate each of the sections and the information listed.

1. Can you find all this information on the bill you are using?

2. Is there any additional information on the bill you are using?

[Click to complete Activity 5](#)

Methods of payment

There are many ways to pay your bills; for example:

- in person at a post office or bank
- by mail
- by phone
- online or using an app
- using direct debit.

These days the most common payment methods used are an app or the internet. This is because it is so easy and can be done from your smart phone or computer. However, all bills are different and you may not be able to pay all your bills by each method listed above.

It is easy to pay a bill in person or by mail, so we will focus on paying bills by phone, app, online and direct debit.

Story

Now that Haley is living away from home, she has to pay many bills. Because she is often busy with her studies, she can't always pay the bills in person at a post office or bank. Haley's mother suggests that Haley looks for ways to pay her bills from home. To do this she needs a credit or a debit card. Haley decides she can manage having a credit card and arranges to get one from her bank. Haley already has a debit card for her savings account at the bank. She uses this to buy things and pay bills with EFTPOS instead of cash.

Payment terms explained

When paying a bill, you first need to decide how you are going to pay it. We all know you can use cash to pay bills, but you can also use:

- EFTPOS
- credit card
- cheque.

EFTPOS

EFTPOS is short for Electronic Funds Transfer Point of Sale. This means when you pay for something by EFTPOS, money (funds) from your bank account is transferred electronically to the shop's account.

To use EFTPOS, you must have a debit card, which you swipe at the point of sale (counter). This allows you to access and transfer the purchase amount to the shop's account, without having to go to the bank. It is a good idea to use EFTPOS when paying for expensive items. That way you don't have to carry large amounts of cash.



Credit card

A credit card allows you to pay for goods or services when you don't actually have the money. When a bank gives you a credit card, it is a bit like a loan. They let you spend a certain amount on the card; for example, \$2000. This is your amount of credit. The money you spend on goods or services is then charged to your credit card.

At the end of each month, you get a bill for the amount of money you have spent on your credit card. This is money you owe and must pay back to the bank. It is important to know that if you don't pay back the full amount of money you owe for that month, you are charged interest. This means you must pay extra (usually 10–20% of the amount you owe) as well as what you owe. So, if you bought something for \$400 using a credit card, and didn't pay the money back to the bank at the end of the month, it may actually end up costing you up to \$480!

You must also look after your credit card. If you lose it, other people may try to use it, even though this is illegal. However, credit cards are useful for buying things online.



Story

Haley gets her new credit card and starts to familiarise herself with all its parts and information, so she is confident using it to pay bills on the internet or by phone. The credit card information that Haley identifies includes the following:

1. Card holder's name – this is the name of the owner of a credit card.
2. Card number – this is the number on the front of a credit card that identifies it as your card.
3. Card type – this means if your card is a Visa or MasterCard, or any other type of card.
4. Valid from date – this is the four-digit number stating the month and year the card became useable.
5. Expiry date – this is the four-digit number stating the month and year when the card expires (can no longer be used).
6. Signature panel – this is the strip at the back of the card where you must sign your name.
7. CVC number – this is an extra three-digit security number located at the far right-hand side of the signature strip on the back of your credit card.

Activity 6

Using the previous list, number and label the parts of the credit card below.

Credit card (front)



Credit card (back)



[Click to complete Activity 6](#)

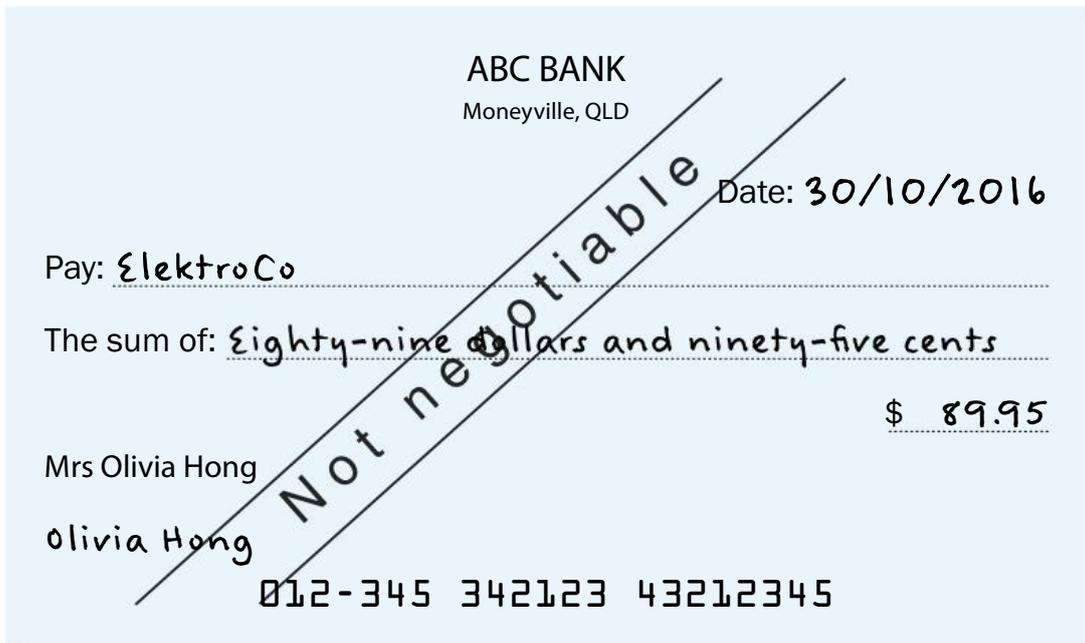
Cheque

A cheque is an official slip of paper from the bank, which you can use to pay for things. On the cheque you must write:

- the date
- the name of the person or company you are paying money to
- the amount of money you are paying in numbers and words
- your signature.

The person you give the cheque to then presents it at their bank, so the money is transferred from your account into their account. It may take up to five business days (Monday–Friday) to have the money transferred. Cheques are not often used these days, because EFTPOS and credit cards are instant ways to pay. However, it is still useful to know how to write a cheque. Here is an example of a cheque that Haley’s mum writes to pay an electricity bill.





Note: The cheque is crossed with the words 'not negotiable'. This means no-one else except ElektroCo can cash the cheque and have the money paid to them.

Paying a bill by phone

To pay a bill by phone, you must ring the company you owe the money to. You must also listen very carefully because often there is an automated (computerised) voice gives you instructions. You don't actually speak to a person, unless you have a problem and get put through to an operator.

You must also listen carefully because you may have to press a number on your telephone keypad for the matching instruction. If you make a mistake, you may have to start all over again. Sometimes, you also have to speak into the phone to tell the automated voice your option. When you speak, use a loud clear voice.

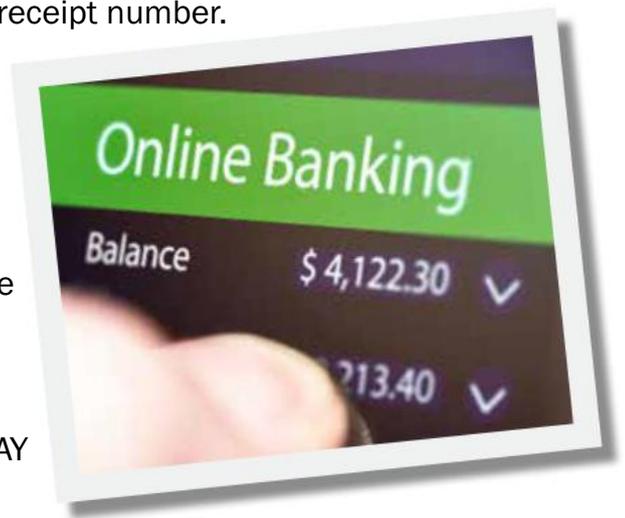
You must have your bill or statement and credit card in front of you when you ring. It is a good idea to highlight or at least know where the information you need is on the bill. Or, you may like to write notes, such as your account number and the amount you owe, on a separate piece of paper.

The automated voice takes you through a range of options to pay your bill. At the end, you will be given a receipt number. Write this number down as proof that you have paid the bill.

Paying a bill online or using an app

There are three ways to pay a bill online. You can go to the company's website (for example, ElektroCo's website) and follow their instructions to pay by credit card. You will need the same information as when you pay by credit card over the phone. Be careful when entering your information and double-check it once you have entered it. When your payment has been processed, you will get a receipt number. Always write your receipt number on the bill and the date you paid it.

The second way to pay a bill online is to use online banking. This allows you to pay bills by transferring money directly from your account to the company you are paying. Once you have an account, you need to login to the online banking section by entering your account number and password. Then you need to find the 'pay a bill section' or the BPAY option.



You then need to enter the information to pay your bill. The information you enter may be different depending on which bank you use. However, it includes:

- the biller code (which is the code for the company you are paying the money to)
- your customer account number (on the bill you are paying)
- the amount you are paying.

After you have entered all the information and double-checked it, your transfer is processed. You are then given a receipt number. Remember to write this receipt number and the date on your bill, or to print out the page with your receipt number on it.

You may also be able to pay a bill online using an app for your bank. This is another quick and easy way to transfer money. You first need to download the app and make sure it works. You can then log in and follow the instructions (similar to those for using online banking) for transferring money. Again, double-check the details you put in, and record the receipt number as proof of payment.

Paying a bill using direct debit

Another way to pay a bill is by direct debit. This means you give the bank permission to pay money from your bank account directly to the companies you choose. For example, you may get a mobile phone bill each month, so you give your bank permission to automatically pay that bill on the due date. So, when your payment is due, the company has permission to have the bill amount transferred directly to their account. This is a useful method of payment, but you must always check your next statement to make sure the correct amount has been taken from your account. You must also have enough money in your account to pay the bill each month or you may be charged a fee.

Activity 7

1. What methods do you use to pay bills?

2. What is your preferred method to pay bills? Why?

[Click to complete Activity 7](#)

Remember

Whichever method you use to pay your bills, always:

- check the bill or statement first to make sure it is correct
- enter all the information carefully
- double-check the information you enter
- write down the receipt number and the date you paid the bill.

And of course, remember to pay your bills on time.

What you have learnt

Put a ✓ in the box when you have learnt these things.

- A receipt is a written record of a purchase.
- An invoice or bill is a detailed list of goods and services you receive with the amount you owe.
- A statement shows an amount due over a certain period, or is a monthly report showing transactions made.
- Always check your receipt after you make a purchase.
- Examples of invoices (or bills) are service bills such as your gas, electricity, water or phone bills.
- Service bills have many sections with lots of information. This information may be in different places on different bills.
- You can pay bills using cash, EFTPOS, a credit card or a cheque.
- You can pay most bills:
 - in person at a post office or bank
 - by mail
 - by phone
 - online or using an app
 - using direct debit.
- No matter how you pay, always:
 - check the bill or statement first to make sure it is correct
 - enter all the information carefully
 - double-check the information you enter
 - write down the receipt number and the date you paid the bill.

Check your learning

Answer the following questions.

- In the table below there are definitions (meanings) of words you have learnt. Read each definition and write the correct word from the following list next to its definition.

A service	Account number	Amount due
Amount you intend to pay	Bill	Credit card type
Card holder's name	Cheque	CVC number
Credit card	Credit card number	Debit card
EFTPOS	Expiry date	Invoice
Invoice number	Money	Receipt
Statement		

Word	Definition
	Cash or currency
	A card that allows you to borrow money from a bank up to a certain limit and that you must pay back every month
	A card that allows you to use your own money from a bank account to pay for purchases
	An official bank paper that can be cashed in for the amount of money written on it
	Short for Electronic Funds Transfer Point of Sale
	A written document that says someone has received an amount of money from you
	An itemised list of fees or charges
	A detailed list of goods or services purchased, with an account of all costs – an itemised bill

Word	Definition
	The number identifying an invoice or a bill
	A monthly report sent to you by a bank or a company showing all your transactions – deposits or withdrawals
	Something you pay for that is not an item, but is sent to your home so you can use it, like water, gas or electricity
	The number that along with your name identifies your account
	The amount of money you owe
	The amount you pay even if it is only part of the amount due
	The name of the owner of a credit card
	Number identification on the front of a credit card
	VISA, MasterCard and others
	A four-digit number stating the month and year when a card expires
	An extra three- or four-digit security number located at the far right-hand side of the signature strip on the back of your credit card

2. Which of the items below would Haley need with her to pay the following bills? Hint: She will need at least two items for each bill.

Money

A cheque

A debit card

A credit card

An invoice (a bill)

A payment slip from an invoice (The bottom part of the invoice)

- a. Her electricity bill by cash at the post office?

- b. Her gas bill by cheque and mailing it?

- c. Her water bill at her local bank?

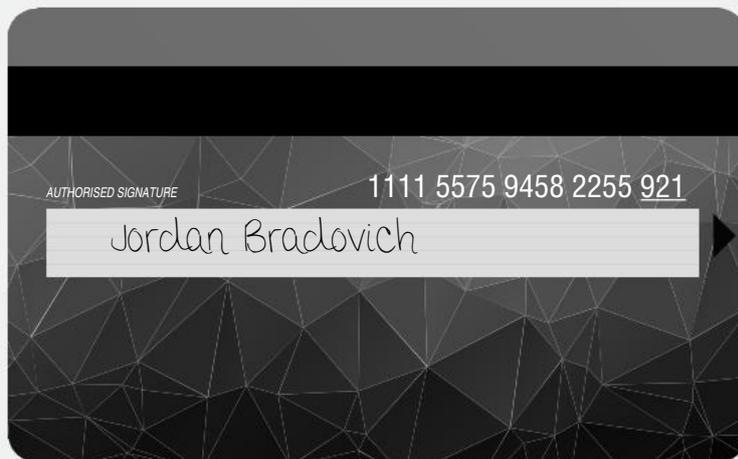
- d. Her bills from home by phoning the companies?

3. The following questions refer to an electricity bill, but may also apply to other types of bills.

- a. List at least three ways that you could pay your electricity bill.

- b. If you choose to pay this bill by credit card and by phone, list at least three pieces of information that you may be asked to give over the phone.

4. Use this credit card to answer the following questions.



- a. What is the card holder's name?
-
- b. What is the credit card number?
-
- c. What is the expiry date for the credit card?
-
- d. What is the CVC number?
-

[Click to complete](#)

Answers

Answers to activities

Activity 1

Answer to Question 1

- a. A receipt is a:
 - written record of a purchase
 - written statement that says someone has received an amount of money from you.
- b. An invoice is a detailed list of goods or services you received with the amount you owe.
- c. A bill is an itemised list or statement of fees or charges.
- d. A statement shows an amount due over a certain period, usually a month.

OR

A statement is a monthly report showing all transactions made; for example, a bank account statement.

Answer to Question 2

An invoice or a bill can refer the same thing – a written statement saying that someone has sold you something and you owe them an amount of money.

A statement may also be a bill or invoice, but it can also refer to a list of transactions in a banking situation.

Activity 2

Yes, the details are correct.

Activity 3

No, the details on the invoice are not correct. The total is incorrect. It should be \$52, which is the flowers plus delivery. It should not be \$62 as stated.

Haley should point out the mistake and only pay \$52.

Activity 4

Answer to Question 1

The total amount owed is \$159.70.

Answer to Question 2

The GST amount is \$14.52.

Answer to Question 3

3 August 2016

Answer to Question 4

Three months usage

Answer to Question 5

You can pay this bill:

- by mail
- by BPAY online or over the phone
- online using a credit card
- by phone using a credit card
- in person
- by direct debit.

Activity 5

Answer to Question 1

The answer to this question will vary depending on the service bill used. If you have any trouble locating any of the sections, ask your trainer for help.

Answer to Question 2

The answer to this question will vary depending on the service bill used.

Activity 6

Credit card (front)



Credit card (back)



Activity 7

Answer to Question 1

Answers will vary but may include any of the methods listed.

Answer to Question 2

For example, direct debit, then I never forget to pay and won't ever be charged late fees.

Answers to Check your learning

Answer to Question 1

Word	Definition
Money	Cash or currency
Credit card	A card that allows you to borrow money from a bank up to a certain limit and that you must pay back every month
Debit card	A card that allows you to use your own money from a bank account to pay for purchases
Cheque	An official bank paper that can be cashed in for the amount of money written on it
EFTPOS	Short for Electronic Funds Transfer Point of Sale
Receipt	A written document that says someone has received an amount of money from you
Bill	An itemised list of fees or charges
Invoice	A detailed list of goods or services purchased, with an account of all costs – an itemised bill
Invoice number	The number identifying an invoice or a bill
Statement	A monthly report sent to you by a bank or a company showing all your transactions – deposits or withdrawals
A service	Something you pay for that is not an item, but is sent to your home so you can use it, like water, gas or electricity
Account number	The number that along with your name identifies your account
Amount due	The amount of money you owe
Amount you intend to pay	The amount you pay even if it is only part of the amount due

Card holder's name	The name of the owner of a credit card
Credit card number	Number identification on the front of a credit card
Credit card type	VISA, MasterCard and others
Expiry date	A four-digit number stating the month and year when a card expires
CVC number	An extra three- or four-digit security number located at the far right-hand side of the signature strip on the back of your credit card

Answer to Question 2

- Haley would need money and an invoice.
- Haley would need a cheque and a payment slip from an invoice.
- Haley would need an invoice and either money, a cheque or a debit card.
- Haley would need a credit card and an invoice.

Answer to Question 3

- Cash, debit card or by credit card over the phone or online, using an app or by direct debit
- An account number, the amount due, a credit card number and expiry date, the card's CVC number and possibly the invoice number

Answer to Question 4

- Mr Jordan Bradovich
- 1111 5775 9458 2255
- 11/18 (or November 2018)
- 921