KEYSTONE
environmental solutions

WHITE PAPER 01

One in Four: The Hidden Cost of Waste Invoice Errors

Why commercial waste bills are so often wrong, what the most common errors look like, and how to recover what you are owed.

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Key takeaways

- Waste invoices combine base rates, per-lift and per-ton charges, rentals and percentage-based fees, which makes them easy to get wrong and hard to check.
- The most common errors are incorrect base rates, inflated fuel and environmental fees, misapplied annual increases, undocumented contamination and overfill charges, and billing for service that was never provided.
- Most errors are small on a single invoice, so they are paid without question. Across 12 months and multiple locations they add up.
- Auditing works only when every line is compared with the contract, not with last month's invoice.

Why waste invoices go wrong

A commercial waste invoice looks simple: a container, a pickup schedule and a monthly total. Underneath, it is one of the most complicated bills a facility pays. A single location can be charged a base rate per container, a per-lift or per-haul fee, a disposal charge per ton, a container

rental, a fuel surcharge calculated as a percentage, an environmental or regulatory recovery fee, an administrative fee, and one-time charges for extra pickups, overages or contamination.

Each of those charges is supposed to follow the terms of your service agreement. In practice, the agreement lives in a filing cabinet and the invoice is generated by the hauler's billing system. When the two drift apart, nobody notices. Accounts payable checks that the total looks familiar, approves it, and the error becomes the new normal.

Keystone audits every invoice for every client. We consistently find that **1 in 4 invoices contains a pricing error**. Very few of these are dramatic. Most are a few dollars here and a fee there, repeated every month at every location.

The six errors we see most often

1. Incorrect base rates

The base rate on the invoice does not match the rate in the agreement. This often happens after a contract renewal, a service change or a hauler acquisition, when new pricing is never loaded correctly into the billing system.

2. Fuel and environmental fees

Fuel surcharges are usually calculated as a percentage of the base charge. If the percentage is higher than agreed, or it is applied to the wrong base, such as one that already includes other fees, the surcharge is inflated. Environmental and regulatory recovery fees are sometimes added even though the agreement never mentions them.

3. Annual price increases applied incorrectly

Increases are applied at the wrong percentage, on the wrong date, more than once in a year, or to fees as well as base rates, so the increase compounds in ways the contract never allowed.

4. Recycling contamination fees

A contamination fee is charged when non-recyclable material is found in a recycling container. These fees are legitimate when documented. Too often they are applied without a photo, a date or any explanation.

5. Overfill charges

Haulers can charge when waste sticks up higher than the lid of the container. Like contamination fees, these should be supported by evidence and applied only to the pickups where overfill actually happened.

6. Charges for service not provided

Missed pickups are still billed. A container that was removed months ago still carries a rental charge. A seasonal service reduction never shows up on the bill. These errors keep repeating until someone compares the invoice with what is actually on site.

An illustrative example

The table below shows a single month for one sample location. The figures are hypothetical, but the pattern is typical of what an audit uncovers.

CHARGE	BILLED	PER AGREEMENT	OVERCHARGE
Base rate, 8 yd front-load	$465.00	$425.00	$40.00
Fuel surcharge (18% billed, 12% agreed)	$83.70	$51.00	$32.70
Environmental fee (not in agreement)	$39.50	$0.00	$39.50
Rental on a removed container	$45.00	$0.00	$45.00
Contamination fee (no documentation)	$75.00	$0.00	$75.00
Overfill charge (no documentation)	$65.00	$0.00	$65.00
Total for the month	**$773.20**	**$476.00**	**$297.20**

Sample figures for illustration only.

The first four lines repeat every month, which comes to $1,886 a year at this one location before counting any one-time charges. Multiply by ten or twenty locations and the cost of not auditing becomes clear.

How to audit your own invoices

1. **Gather the paperwork.** Collect the service agreement, every amendment and any pricing letters for each location.
2. **Build a rate sheet.** List what each line item should cost: base rates, haul and disposal rates, rental, and the agreed percentages for fuel and other fees.
3. **Compare line by line.** Check every charge on every invoice against the rate sheet, not against last month's bill.
4. **Verify the service.** Confirm containers, sizes and pickup frequency against what is actually on site. Ask staff to log missed pickups.
5. **Demand documentation.** Request photos and dates for every contamination and overfill charge.
6. **Track increases.** Note the date and percentage of every price increase and confirm it follows the agreement.
7. **Dispute in writing, promptly.** Many agreements limit how long you have to dispute a charge.

How Keystone helps

Keystone audits every invoice for every client location. When we find an error, we dispute it with the hauler on your behalf, and any billing error we find, dispute and win is credited back to you 100% on your next invoice. As part of a free savings analysis, we also review past invoices for refunds and credits you may already be owed.

Get your free savings analysis

Send us your most recent waste invoice for all locations. We will compare your pricing with similar Keystone clients and review our findings with you within 48–72 hours.

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