Billing & Operations Finance Division | Commercial Trucking & Logistics Operations

Billing Packet Requirements Policy

BOF-POL-006 — Version 2.0 — Effective July 16, 2026

Policy Number	BOF-POL-006	Version	2.0
Title	Billing Packet Requirements Policy	Effective Date	July 16, 2026
Review Cycle	Annual	Next Review Date	July 16, 2027
Policy Owner	Director of Finance and Billing Operations	Approved By	Chief Operating Officer (COO)
Classification	Internal Controlled Document	Supersedes	BOF-POL-006 v1.x (all prior versions)

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1. Purpose and Scope

1.1 Purpose

This policy establishes the minimum required standards for assembling, reviewing, submitting, and archiving billing packets for all completed freight loads within the organization's commercial trucking and logistics operations. The policy is designed to:

- Ensure invoicing accuracy and completeness across all load types and customer segments;
- Reduce Days Sales Outstanding (DSO) through disciplined, timely billing submission;

- Support audit defensibility by maintaining a complete, organized, and traceable billing record for every load;
- Prevent revenue leakage caused by missed accessorials, incomplete documentation, or billing submission delays;
- Establish clear accountability across Operations, Dispatch, and Finance for billing packet integrity.

1.2 Scope

This policy applies to all personnel involved in the freight billing lifecycle, including but not limited to:

- Drivers (document capture and submission);
- Dispatchers (document verification and accessorial identification);
- Billing Coordinators and Billing Supervisors (packet assembly, invoice generation, dispute management);
- Operations Managers (accessorial authorization);
- Director of Finance and Billing Operations (policy oversight and escalation authority).

This policy covers all load types including full truckload (FTL), less-than-truckload (LTL), refrigerated, flatbed, hazmat, and cross-border shipments handled under the company's FMCSA operating authority.

> ⚠️ **Revenue Integrity Statement**
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> Incomplete or untimely billing packets directly impact cash flow, factoring eligibility, and customer relationships. Non-compliance with this policy constitutes an operational deficiency subject to corrective action per Section 14.

2. Regulatory and Contractual References

This policy is informed by and operates in alignment with the following regulatory frameworks, statutory requirements, and contractual obligations:

Reference	Authority / Source	Relevance to Billing Operations
UCC Article 7 — Documents of Title	Uniform Commercial Code	Governs the legal status of Bills of Lading and other freight documents as documents of title; establishes negotiability and liability transfer requirements.
Carmack Amendment Billing Requirements	49 U.S.C. § 14706	Establishes carrier liability for loss, damage, and delay in interstate commerce; defines freight claim filing timelines and documentation standards.
Shipper / Broker Contract Billing Addendums	Customer-specific agreements	May impose additional or stricter billing packet requirements, submission deadlines, and dispute resolution procedures. Customer-specific terms supersede general defaults where explicitly stated.
Factoring Company Requirements	Applicable where factoring is in effect	Factoring agreements specify minimum document quality, submission format, and Notice of Assignment (NOA) requirements. Non-compliance may result in invoice rejection or recourse liability.
FMCSA Operating Authority Documentation	49 C.F.R. Part 365–368	Requires motor carriers to maintain operating authority documentation accessible for audit; impacts billing defensibility in disputed or litigated freight claims.
Standard Payment	Contract-specific	Defines net payment

Reference	Authority / Source	Relevance to Billing Operations
Terms — Freight Broker Agreements		terms, quick-pay options, and late payment penalties. All billing timelines in Section 8 are calibrated against these standard contractual terms.

Copies of all active customer contracts with billing addendums are maintained by the Director of Finance and Billing Operations and are available upon request to authorized billing personnel.

3. Definitions

The following terms are used throughout this policy and carry the meanings defined below:

Term	Definition
Billing Packet	The complete, organized collection of all documents required to support the invoicing of a single freight load. A billing packet must be assembled prior to invoice submission and retained for audit purposes.
Invoice	The formal demand for payment issued to a customer or broker, itemizing freight charges, accessorials, and any applicable surcharges. Generated in the company's TMS/accounting system.
Rate Confirmation	The executed agreement between the carrier and the customer or broker confirming the agreed rate, load details, accessorial provisions, and payment terms for a specific load.
Bill of Lading (BOL)	The legal contract between the shipper and carrier acknowledging receipt of freight for transport. Serves as a document of title under UCC Article 7. Must be signed by the shipper at origin.

Term	Definition
Proof of Delivery (POD)	Documentation confirming that freight was delivered to the consignee. Requires consignee signature, delivery date and time, and load/trailer identification. A "clean" POD has no noted exceptions.
Lumper Receipt	A receipt issued by a third-party lumper service confirming the unloading or loading service performed, the amount charged, the load number, and receiver authorization.
Detention Record	A documented log capturing the driver's arrival time, free time expiration, departure time, load number, facility name, and reason for delay. Required to support any detention billing claim.
Accessorial Charge	Any charge beyond the base linehaul rate, including but not limited to detention, lumper, layover, TONU, fuel surcharge, stop-off charges, and redelivery fees.
Fuel Surcharge (FSC)	A variable surcharge applied to freight invoices to account for fluctuations in fuel costs. Calculated per the method specified in the rate confirmation, which may reference the DOE weekly retail diesel index.
TONU (Truck Order Not Used)	A charge assessed when a carrier dispatches a truck for a load that is subsequently cancelled by the customer or broker after the truck has been committed or en route.
Short Pay	A payment received from a customer or broker that is less than the full invoiced amount, whether due to a disputed charge, deduction, or billing error.
Disputed Invoice	An invoice for which the customer or broker has formally raised an objection regarding the validity, accuracy, or amount of one or more line items.
Clean POD	A Proof of Delivery document bearing the consignee's signature with no notations of shortage, damage, or

Term	Definition
	delivery exceptions. A clean POD strengthens billing defensibility and reduces dispute risk.
Pallet Exchange Receipt	Documentation of a pallet-for-pallet exchange at delivery, confirming the number of pallets tendered and received. Required where the rate confirmation or customer agreement specifies pallet accountability.
Factoring Assignment	The formal transfer of accounts receivable from the carrier to a factoring company in exchange for immediate payment, subject to the terms of a Factoring Agreement and Notice of Assignment (NOA).

4. Mandatory Billing Packet Documents

Every billing packet must contain all applicable documents for the load type and delivery circumstances. Documents are categorized as **Core** (required for every load) or **Conditional** (required when the specific circumstance applies).

4.1 Core Documents — Required for Every Load

Document Name	Required For	Acceptable Format	Submission Deadline
Rate Confirmation (signed or accepted)	All loads — establishes contractual rate basis	PDF (electronic signature acceptable); email confirmation with rate details acceptable if no portal	Prior to dispatch; must be on file before load departs
Bill of Lading (BOL)	All loads — shipper-signed at origin	Original scan (min. 300 DPI); eBOL via approved electronic platform	Submitted by driver to dispatch at time of pickup; uploaded within 24 hours of loading
Proof of Delivery	All loads —	Digital capture via	Submitted by

Document Name	Required For	Acceptable Format	Submission Deadline
(POD)	consignee-signed at destination	company app (preferred); scanned paper copy; electronic delivery confirmation	driver within 4 hours of delivery (digital); paper fallback within 24 hours
Driver Manifest / Trip Sheet	All loads — confirms load details, mileage, and driver identification	TMS-generated or approved company form; PDF or paper scan	Submitted with packet at time of billing assembly

4.2 Conditional Documents — Required When Circumstance Applies

Document Name	Required When	Acceptable Format	Submission Deadline
Lumper Receipt	Lumper service was used at delivery or pickup	Original or legible scan; must show service company, load number, amount, and receiver authorization	With POD submission; no later than billing assembly
Scale Ticket	Weight-based billing applies	Official certified scale ticket; scan or photograph (legible)	At time of billing assembly
Detention Documentation	Detention is being claimed (see Section 7.1)	Company Detention Log (Appendix D); facility stamp or written acknowledgment preferred	Submitted to dispatch as soon as free time expires; included in billing packet
Layover Documentation	Layover is being claimed	Ops Manager authorization email or form; supporting documentation of reason and dates	Prior authorization required before billing; documentation submitted at billing assembly
Fuel Surcharge Support	Variable FSC calculation applies	DOE index reference	At time of invoice generation

Document Name	Required When	Acceptable Format	Submission Deadline
	(not flat rate)	screenshot or printout dated to load week	
TONU Documentation	Truck Order Not Used charge is claimed	Customer/broker cancellation confirmation; attempted delivery record; mileage verification	Immediately upon cancellation; included in billing packet
Pallet Exchange Receipt	Pallet swap occurred at delivery	Receiver-signed pallet count confirmation	With POD submission
Hazmat Shipping Papers	Load involves hazardous materials	DOT-compliant hazmat shipping papers; scan or original	On file before load moves; included in billing packet
Temperature Recorder Printout	Refrigerated (reefer) load	Electronic data logger printout or download; must show continuous temp range for load duration	Submitted at delivery; included in billing packet
Customs / Border Documents	Cross-border (U.S./Canada or U.S./Mexico) shipment	CBP entry documents, PAPS/PARS confirmation, or broker release confirmation	At time of customs clearance; included in billing packet

ⓘ Billing Packet Completeness Note

The Billing Packet Completeness Checklist (Appendix A) must be completed and attached to every billing packet prior to invoice submission. No invoice shall be submitted without passing the pre-submission audit step defined in Section 6, Step 5.

5. Document Quality Standards

All documents submitted as part of a billing packet must meet the quality standards specified in this section. Illegible, incomplete, or non-conforming documents will be returned for correction before the invoice may be submitted. Billing timelines are not tolled by document quality failures that are within the submitting party's control.

5.1 Proof of Delivery (POD) Standards

- A legible receiver signature is required on all PODs without exception;
- Printed name of the receiver is preferred alongside signature; where absent, facility name must be legible;
- Delivery date and time must be clearly visible on the document;
- Unit or trailer number must appear on the POD or accompanying delivery receipt;
- Correction fluid (white-out) and unauthorized alterations are strictly prohibited; any alteration must be initialed by the consignee and noted;
- Any delivery exceptions (shortages, damage, refusals) must be noted in writing on the POD at the time of delivery.

5.2 Bill of Lading (BOL) Standards

- Must bear the shipper's original signature or an approved electronic equivalent;
- Commodity description, piece count, and weight must match the rate confirmation; discrepancies must be noted and explained;
- Any exceptions at loading (damaged goods, short counts, refused pieces) must be noted in writing on the BOL at the time of loading and signed by the shipper;
- The load/order number from the rate confirmation must appear on the BOL to enable cross-referencing.

5.3 Rate Confirmation Standards

- Must display the load number, origin and destination, agreed linehaul rate, authorized accessorials and their amounts, and payment terms;
- Must bear the dispatcher's or operations representative's signature or confirmation of acceptance (email acceptance is acceptable);
- Rate confirmations without explicit accessorial authorization do not support accessorial billing claims; the Operations Manager must document verbal authorizations in writing before billing.

5.4 Electronic Document Standards

- **File Format:** PDF is the required format for all digital submissions; JPEG or PNG is acceptable only for receipts where PDF conversion is not feasible;
- **Scan Resolution:** Minimum 300 DPI; documents below this threshold will be returned;
- **File Access:** No password-protected files; all pages of multi-page documents must be included in a single file;
- **File Naming Convention:** All files must be named using the standard format: **[LoadNumber]_[DocumentType]_[YYYYMMDD]** (e.g., *10045892_POD_20260716*);
- **Completeness:** Partial document uploads are not acceptable; the full document must be present in a single submission.

6. Billing Packet Assembly Workflow

The following workflow defines the required sequential steps for assembling and submitting a billing packet. Each step specifies the responsible party, required action, and quality gate that must be cleared before proceeding.

Step	Stage	Responsible Party	Required Action	Quality Gate / Deadline
1	**Load Delivered — POD Capture**	Driver	Obtain consignee signature on POD at time of delivery. Capture via company mobile app (digital preferred). Note any exceptions in writing. Submit POD to dispatch immediately upon departure from consignee.	Digital submission within 4 hours of delivery. Paper fallback within 24 hours. Exceptions must be noted before leaving facility.
2	**Dispatch Verification**	Dispatcher	Confirm POD legibility, presence of receiver signature, delivery date/time, and correct load number. Flag any illegible or incomplete PODs for driver correction. Log verified POD in TMS.	Completed within 2 hours of POD receipt. Incomplete PODs returned to driver immediately for correction.
3	**Accessorial Identificatio n**	Dispatcher	Identify and document any applicable accessorials (detention, lumper, layover, TONU, stop-off, etc.). Attach all supporting	All accessorials identified and documented prior to packet assembly. No accessorial billing without supporting documentatio n.

Step	Stage	Responsible Party	Required Action	Quality Gate / Deadline
			documentation per Section 7. Flag unclaimed accessorials for Billing review.	
4	**Packet Assembly**	Billing Coordinator	Assemble complete billing packet: rate confirmation, BOL, POD, driver manifest, and all applicable conditional documents. Organize per standard file naming convention (Section 5.4). Upload to billing system.	Packet assembled within 1 business day of POD receipt. All documents present per Appendix A checklist.
5	**Pre-Submission Audit**	Billing Coordinator / Billing Supervisor	Complete Appendix A Billing Packet Completeness Checklist. Verify all document quality standards (Section 5) are met. Confirm invoice line items reconcile to rate confirmation. Resolve any discrepancies before submission.	Zero incomplete submissions permitted. Checklist must be completed and signed before invoice generation.
6	**Invoice**	Billing	Generate	Invoice

Step	Stage	Responsible Party	Required Action	Quality Gate / Deadline
	Generation	Coordinator	invoice in TMS/accounting system. Enter all line items: linehaul, FSC, and each accessorial as a separate line. Verify total reconciles to rate confirmation. Apply correct payment terms per customer contract.	generated only after pre-submission audit is cleared. No manual rate overrides without Billing Supervisor approval.
7	**Submission to Customer / Broker**	Billing Coordinator	Submit invoice and full billing packet via customer's preferred channel (EDI, email, or customer portal). Retain submission confirmation (delivery receipt, portal confirmation number, or email read receipt). Log submission in AR system.	Submitted within timelines in Section 8. Submission confirmation documented in TMS within same business day.
8	**Payment Tracking**	Billing Coordinator / Billing Supervisor	Log invoice in AR aging report. Set follow-up trigger per payment terms (Net-30 = follow-up at	AR system updated within 1 business day of submission. Follow-up triggers set at time of

Step	Stage	Responsible Party	Required Action	Quality Gate / Deadline
			Day 25). Monitor for payment, short-pay, or dispute. Escalate per Section 9 if payment not received within terms.	logging.

7. Accessorial Billing Procedures

Accessorial charges must be documented, authorized, and submitted in compliance with the specific procedures outlined in this section. Undocumented accessorial claims will not be invoiced and will be treated as waived unless circumstances warrant formal escalation to the Director of Finance.

7.1 Detention

- The detention clock begins after the free time period specified in the rate confirmation has elapsed. Where the rate confirmation is silent on free time, the default is two (2) hours at both origin and destination.
- The driver must notify dispatch via phone or the company app when free time begins. This notification must be logged with a timestamp in the TMS.
- A Detention Log (Appendix D) must be completed, including: driver name, load number, facility name and address, scheduled appointment time, actual arrival time, free time expiration, departure time, and documented reason for delay.
- Facility stamp, written acknowledgment, or supervisor confirmation is preferred and must be obtained whenever the facility will provide it.

- Detention will be billed per the rate and cap specified in the rate confirmation. Claims exceeding the rate confirmation cap require Director of Finance approval.
- Detention not documented with a completed Detention Log will not be billed.

7.2 Lumper Services

- A lumper receipt must be obtained from the lumper service at the time of service and must display: the service company name, load number, amount charged, and receiver authorization or signature.
- Where the company has paid the lumper directly and is seeking reimbursement from the customer or broker, a copy of the payment receipt or cancelled check must also be included in the billing packet.
- Lumper charges must be pre-authorized under the rate confirmation or approved in writing by the Operations Manager prior to billing.

7.3 Layover

- All layover charges require prior written authorization from the Operations Manager before the layover occurs. Retroactive authorization is not accepted except in documented emergencies.
- Supporting documentation must include: the reason for layover, location, start date and time, and end date and time.
- Layover billing is subject to the rate specified in the rate confirmation or, where not specified, the company's standard layover rate schedule.

7.4 Truck Order Not Used (TONU)

- TONU charges require documented confirmation of cancellation from the customer or broker, including the cancellation timestamp.
- The billing packet must include evidence of the carrier's attempted compliance: dispatch records, driver location at time of cancellation, and mileage verification from origin to point of cancellation.

- TONU claims must be submitted within 2 business days of the cancellation event.

7.5 Fuel Surcharge (FSC)

- Where the rate confirmation specifies a flat FSC, no additional documentation is required.
- Where a variable FSC applies, the calculation must reference the DOE (U.S. Department of Energy) weekly national average on-highway diesel fuel price for the week the load was tendered or picked up, as specified in the rate confirmation.
- The applicable DOE index page or screenshot must be included in the billing packet when a variable FSC is applied.
- FSC calculations must be auditable and reconcilable to the invoice line item.

> ⚠️ **Accessorial Documentation is Non-Negotiable**
>
> No accessorial charge may be invoiced without the required supporting documentation specified in this section and Appendix B. Billing an accessorial without documentation exposes the company to dispute, short-pay, and potential customer relationship consequences.

8. Submission Timelines and Payment Terms

8.1 Billing Submission Deadlines

Load / Customer Type	Submission Deadline	Notes
Standard loads (all non-expedited customers)	**Within 5 business days of delivery**	Day 1 = first business day after confirmed delivery
Quick-pay customers	**Within 2 business days**	Customer must be

Load / Customer Type	Submission Deadline	Notes
	of delivery	designated as quick-pay in TMS; confirm terms per contract
Factored loads	**Within 1 business day of delivery**	Factoring company portal submission required; see Section 10
Hazmat loads	**Within 3 business days of delivery**	Additional document verification required; Billing Supervisor must sign off
Cross-border loads	**Within 5 business days of customs clearance**	Customs clearance confirmation required before billing

8.2 Payment Terms Reference

- **Standard Net-30:** Payment due 30 calendar days from invoice date for standard broker and shipper agreements;
- **Quick-Pay:** Payment within 2–7 business days; customer-specific; subject to discount per contract (typically 1.5–3% of invoice);
- **Factored Loads:** Advance payment from factoring company within 24–48 hours of approved submission; subject to factoring fee;
- **Broker-Specific Terms:** Terms per individual contract; Billing Coordinators must verify payment terms in TMS before invoice generation.

8.3 Consequences of Late Billing Submission

- Revenue recognition is delayed, directly impacting cash flow reporting;
- Customers may short-pay invoices that are submitted past their contractual billing window (some broker agreements void billing rights after 30–90 days);
- Factored invoices submitted after the factoring company's acceptance window may be ineligible for advance payment;
- Late submission is documented and tracked as a KPI per Section 12.

8.4 Escalation for Overdue Submissions

Trigger	Action	Responsible Party
Billing submission not completed by Day 3 of applicable deadline	Billing Supervisor notified; review of blocking factors initiated	Billing Coordinator alerts Billing Supervisor
Billing submission not completed by Day 7	Director of Finance notified; formal root cause documentation required	Billing Supervisor escalates to Director of Finance
Billing submission past the customer's contractual window	Director of Finance reviews for potential revenue write-off; customer outreach initiated to preserve billing rights	Director of Finance and Billing Coordinator

9. Disputed Invoices and Short-Pay Resolution

9.1 Dispute Receipt and Logging

All invoice disputes received from customers or brokers must be logged in the AR system within one (1) business day of receipt. The dispute log entry must capture: the date of dispute receipt, customer/broker name, invoice number, invoice date, total invoiced amount, disputed amount, and the customer's stated reason for dispute.

9.2 Investigation Timeline

- The Billing Coordinator must acknowledge receipt of the dispute to the customer within **3 business days**;
- A full investigation, including retrieval and review of the original billing packet, must be completed within **10 business days** of dispute receipt;
- The Billing Coordinator must document the investigation outcome in the AR system, including the determination (valid, partially valid, or invalid) and the proposed resolution.

9.3 Short-Pay Resolution Process

- Upon receipt of a payment that is less than the invoiced amount, the Billing Coordinator must document the deduction amount and the customer's explanation;
- If the short-pay is determined to be **valid** (e.g., billing error, authorized deduction), a credit memo is issued and the AR record is adjusted;
- If the short-pay is determined to be **invalid**, the Billing Coordinator will rebill the deducted amount with supporting documentation; if the customer refuses to pay, the matter is escalated per Section 9.4;
- All short-pay determinations above $500 must be reviewed and approved by the Billing Supervisor.

9.4 Escalation Procedures

- Disputes involving amounts greater than **$1,000** must be escalated to the Director of Finance within 3 business days of dispute receipt;
- Pattern disputes from a single customer (three or more disputes within a 90-day period) must be escalated jointly to Operations and Legal for contract review and potential customer relationship action;
- Disputes that cannot be resolved within 30 calendar days are escalated to the Director of Finance for final determination and, if warranted, referral to Legal.

9.5 Write-Off Authority

Disputed / Short-Pay Amount	Write-Off Authority	Required Documentation
Under $250	Billing Supervisor	AR system notation with reason; no additional approval required
$250 – $1,000	Director of Finance	Written justification memo; investigation outcome documented in AR

Disputed / Short-Pay Amount	Write-Off Authority	Required Documentation
Above $1,000	Director of Finance with COO notification	Full dispute file; formal write-off approval form; COO email notification

10. Factoring and Third-Party Payment Integration

10.1 Notice of Assignment (NOA)

Where the company has executed a Factoring Agreement, all customers and brokers on factored accounts must have received a valid Notice of Assignment directing payment to the factoring company. The Billing Coordinator must confirm NOA delivery prior to submitting any invoice under the factoring facility. Invoices submitted to customers who have not received a valid NOA may result in misdirected payments and factoring agreement violations.

10.2 Document Submission to Factoring Company

All factored invoice submissions must include the complete billing packet as specified in Section 4, submitted via the factoring company's designated portal or system within one (1) business day of delivery. Minimum documents required by most factoring agreements include: signed Rate Confirmation, signed BOL, and signed POD. Additional documents may be required per the specific factoring agreement and must be verified by the Billing Coordinator.

10.3 Prohibited Modifications to Factored Invoices

Once an invoice has been assigned to a factoring company, the following actions are strictly prohibited without written consent from the factoring company:

- Issuing a credit memo against the factored invoice;
- Negotiating a revised payment amount directly with the customer;
- Accepting payment for the factored invoice directly from the customer;
- Cancelling or voiding the factored invoice.

Any of the above actions taken without factoring company consent may constitute a breach of the Factoring Agreement and trigger recourse liability.

10.4 Recourse vs. Non-Recourse Factoring Implications

- **Non-Recourse Factoring:** The factoring company assumes credit risk for customer non-payment due to insolvency. Billing documentation must still meet all quality standards; documentation deficiencies may render a non-recourse protection void.
- **Recourse Factoring:** The carrier retains ultimate responsibility for customer non-payment. Complete and defensible billing documentation is critical to preserving legal recourse against the customer.

10.5 Factoring Company Portal Submission Standards

All submissions to the factoring company portal must comply with portal-specific formatting and document standards, which may exceed the minimum requirements of this policy. The Billing Coordinator is responsible for maintaining current knowledge of the factoring company's portal requirements. The Director of Finance must be notified of any changes to factoring company submission requirements within 2 business days of receiving such notice.

11. Roles and Responsibilities

Role	Primary Responsibilities	Accountability Point
Driver	Obtain consignee signature on POD at delivery Note all delivery exceptions in writing on POD Submit POD to dispatch within required timeframe Complete and submit Detention Log when applicable Obtain lumper receipt and pallet exchange receipt where applicable	Dispatcher; Operations Manager
Dispatcher	Verify POD legibility and completeness upon receipt Confirm load number, receiver	Operations Manager; Billing Coordinator

Role	Primary Responsibilities	Accountability Point
	signature, and delivery date/time Identify and document all applicable accessorials Ensure supporting accessorial documentation is attached before packet handoff Flag exceptions or irregularities to Billing Coordinator	
Billing Coordinator	Assemble complete billing packet per Section 4 Apply document quality standards per Section 5 Generate invoice in TMS/accounting system Submit invoice to customer or broker via preferred channel Log invoice in AR and set payment follow-up triggers Manage dispute intake and investigation	Billing Supervisor; Director of Finance
Billing Supervisor	Conduct pre-submission audit on billing packets Oversee dispute resolution process and timeline compliance Authorize write-offs under $250 Monitor billing KPIs and report to Director of Finance Escalate overdue submissions and unresolved disputes	Director of Finance
Operations Manager	Authorize layover charges prior to occurrence Provide written documentation of TONU events Authorize accessorials not specified on rate confirmations Support billing dispute resolution with operational records	Director of Finance; COO
Director of Finance and Billing Operations	Policy ownership, oversight, and annual	COO

Role	Primary Responsibilities	Accountability Point
	review Final escalation authority for disputes over $1,000 Approve write-offs of $250 and above Receive and review quarterly audit findings Manage factoring company relationship and compliance Report billing performance metrics to COO	

12. Billing Performance Metrics

The following key performance indicators (KPIs) are tracked monthly by the Billing Supervisor and reported to the Director of Finance and COO. Metric targets are reviewed annually and adjusted in alignment with business objectives.

KPI	Definition	Target	Reporting Cadence
Days Sales Outstanding (DSO)	Average number of days from invoice date to payment receipt across all open invoices	≤ 32 days	Monthly to Director of Finance and COO
Billing Cycle Time	Average number of business days from load delivery to invoice submission	≤ 2.5 business days (average)	Monthly
Packet Completeness Rate	Percentage of billing packets submitted with all required documents on first submission	≥ 98%	Monthly
Invoice Dispute Rate	Percentage of submitted invoices that result in a	≤ 2%	Monthly

KPI	Definition	Target	Reporting Cadence
	customer dispute		
Short-Pay Rate	Percentage of invoices resulting in a short payment by customer	≤ 1.5%	Monthly
Accessorial Recovery Rate	Percentage of eligible accessorial charges successfully billed and collected	≥ 95%	Monthly
Late Submission Rate	Percentage of invoices submitted after the applicable submission deadline	≤ 1%	Monthly
Dispute Resolution Cycle Time	Average number of business days from dispute receipt to resolution	≤ 8 business days	Monthly

Monthly billing performance reports are distributed to the Billing Supervisor, Director of Finance, Operations Manager, and COO no later than the 5th business day of each calendar month for the prior month's activity. KPIs falling below target for two consecutive months trigger a formal corrective action review.

13. Audit and Compliance

13.1 Quarterly Internal Billing Audit

A quarterly internal audit of billing packets and invoice submissions is conducted by the Billing Supervisor, with results reviewed by the Director of Finance. The audit covers a random sample of not less than ten percent (10%) of all invoices submitted during the quarter, stratified across load types and customers. Each audited packet is assessed for:

- **Completeness:** Presence of all required core and conditional documents per Section 4;
- **Accuracy:** Reconciliation of invoice line items to rate confirmation; correct accessorial calculations;
- **Timeliness:** Compliance with submission deadlines per Section 8;
- **Document Quality:** Compliance with standards per Section 5, including scan resolution, legibility, and file naming;
- **Accessorial Documentation:** Presence and validity of all required accessorial support documents per Section 7.

13.2 Audit Reporting

Quarterly audit findings are compiled into a formal Billing Audit Report and submitted to the Director of Finance and COO within 15 business days of the quarter's end. The report must include:

- Sample size and methodology;
- Findings by category (completeness, accuracy, timeliness, quality);
- Error rate by finding type;
- Root cause analysis for recurring deficiencies;
- Corrective action plan with assigned owners and target completion dates.

13.3 Corrective Action

Where audit findings reveal a systemic deficiency (error rate exceeding 5% in any audit category), a formal Corrective Action Plan (CAP) must be developed within 10 business days of the audit report. The CAP must identify root causes, remediation steps, responsible parties, and a target resolution date. CAP progress is reviewed at the subsequent quarterly audit.

13.4 Annual External Review — Factoring Compliance

Where factoring is in effect, the company shall participate in an annual compliance review with the factoring company, providing access to a sample of billing packets and submission records upon request. The Director of Finance is responsible for coordinating this review and ensuring remediation of any factoring company findings within 30 days of the review conclusion.

> ⓘ **Audit Record Retention**
>
> All billing packets, invoices, dispute records, and audit reports must be retained for a minimum of seven (7) years in accordance with general freight and commercial document retention standards. Electronic records must be stored in a system with access controls, version history, and backup redundancy.

14. Non-Compliance and Enforcement

Compliance with this policy is a condition of employment for all personnel within its scope. The following enforcement framework applies to violations of any requirement set forth in this policy.

Violation Type	First Occurrence	Repeat Occurrence	Severe / Intentional
Late or incomplete billing packet submission	Documented verbal warning; notation in personnel file	Written warning; Performance Improvement Plan (PIP) initiated	Escalation to Director of Finance; further disciplinary action per HR policy
Failure to document accessorials prior to billing	Written warning; mandatory retraining on Section 7 and Appendix B	Written warning; PIP; loss of independent billing authority pending review	Director of Finance review; suspension of billing privileges
Submission of invoice without completing pre-submission audit	Written warning; immediate corrective action	PIP; Billing Supervisor co-sign requirement on all future submissions	Escalation to HR and Director of Finance
Falsification or unauthorized alteration of	**Immediate termination of employment. Potential referral to law enforcement or regulatory authorities for fraud investigation. No progressive discipline**		

Violation Type	First Occurrence	Repeat Occurrence	Severe / Intentional
billing documents	**applies.**		
Unauthorized modification of a factored invoice	Written warning; mandatory retraining; Director of Finance review	PIP; Director of Finance and Legal review; potential financial liability assessment	Termination; Legal referral if financial harm to company results

⚠️ **Fraud and Document Falsification**

Any falsification, forgery, unauthorized alteration, or fabrication of billing documents — including but not limited to PODs, BOLs, detention logs, and lumper receipts — constitutes fraud and will result in immediate termination and potential criminal referral, regardless of prior employment standing or circumstances.

All enforcement actions are administered in coordination with the Human Resources department and documented in the employee's personnel file. Employees subject to a PIP retain the right to respond in writing per standard HR procedures. Nothing in this policy limits the company's rights under applicable employment law.

15. Policy Review and Amendment

15.1 Annual Review

This policy shall be reviewed annually by the Director of Finance and Billing Operations, no later than 30 days prior to the policy's effective date anniversary. The review will assess the policy's continued alignment with operational practices, customer contract requirements, regulatory changes, and billing technology capabilities. All substantive amendments require COO approval before taking effect.

15.2 Trigger Reviews

In addition to the annual review, a triggered policy review must be initiated within 30 days of any of the following events:

- Quarterly internal audit findings revealing a systemic deficiency requiring policy-level remediation;
- A change in factoring company requirements that affects document or submission standards under this policy;
- Adoption of a new TMS or billing platform that materially changes the billing workflow;
- A significant regulatory change affecting carrier billing, document of title requirements, or freight liability;
- A customer contract amendment that introduces billing requirements materially different from this policy's standards.

15.3 Amendment Documentation

All amendments, whether arising from the annual review or a triggered review, must be documented in the Policy Revision Log below. The previous version is superseded upon the effective date of the new version. Archived versions are retained by the Director of Finance.

Version	Effective Date	Summary of Changes	Approved By
1.0	Initial Release	Initial policy issuance establishing baseline billing packet requirements	COO
1.x	Various	Minor operational amendments; see archived v1.x documents on file with Director of Finance	Director of Finance
2.0	**July 16, 2026**	Comprehensive revision: added	**COO**

Version	Effective Date	Summary of Changes	Approved By
		accessorial billing procedures (Section 7), factoring integration requirements (Section 10), electronic document standards (Section 5.4), formal KPI framework (Section 12), expanded enforcement table (Section 14), and Appendices A–E	

Policy Approval and Authorization

By signing below, the undersigned confirm that they have reviewed this policy in full and approve its issuance as an Internal Controlled Document effective July 16, 2026.

Director of Finance and Billing Operations Policy Owner Date:

____

Chief Operating Officer (COO) Approving Authority Date:

____

Appendices

Appendix A — Billing Packet Completeness Checklist

Load Number: ________________________ **Customer/Broker:** ________________________

Delivery Date: ________________________ **Billing Coordinator:** ________________________

Date Reviewed: ________________________

CORE DOCUMENTS — Required for Every Load

☐	Document	Verification Notes	Verified By / Date
☐	Rate Confirmation — signed/accepted	Load number, rate, accessorials, payment terms present	
☐	Bill of Lading (BOL) — shipper-signed	Commodity, piece count, weight match rate confirmation	
☐	Proof of Delivery (POD) — consignee-signed	Legible signature, delivery date/time, load number present	
☐	Driver Manifest / Trip Sheet	Driver ID, load number, mileage confirmed	

CONDITIONAL DOCUMENTS — Check All That Apply to This Load

Applies?	☐	Document	Condition	Verified By / Date
Y / N	☐	Lumper Receipt	Lumper service used	
Y / N	☐	Scale Ticket	Weight-based billing	
Y / N	☐	Detention Log (Appendix D)	Detention claimed	
Y / N	☐	Layover Authorization + Documentatio	Layover claimed	

Applies?	☐	Document	Condition	Verified By / Date
		n		
Y / N	☐	FSC Support — DOE Index Reference	Variable FSC applied	
Y / N	☐	TONU Documentation	TONU charged	
Y / N	☐	Pallet Exchange Receipt	Pallet swap occurred	
Y / N	☐	Hazmat Shipping Papers	Hazmat load	
Y / N	☐	Temperature Recorder Printout	Refrigerated load	
Y / N	☐	Customs / Border Documents	Cross-border shipment	

Pre-Submission Certification: I certify that all applicable documents are present, legible, and meet the quality standards of BOF-POL-006 Section 5.

Signature: ________________________________ Date: ________________

Appendix B — Accessorial Documentation Requirements by Type

Accessorial Type	Required Documentation	Authorization Required	Billing Deadline
Detention	Detention Log (Appendix D); facility stamp or written acknowledgment (preferred); driver arrival and departure	No prior authorization required; dispatch must be notified when free time begins	Include in billing packet; must be submitted within standard invoice deadline (Section 8)

Accessorial Type	Required Documentation	Authorization Required	Billing Deadline
	timestamps from TMS/app		
Lumper	Lumper receipt with service company name, load number, amount, and receiver authorization; payment receipt if company-paid	Rate confirmation must authorize; or Operations Manager written approval	With POD submission; included in billing packet
Layover	Operations Manager authorization (written, prior to layover); documentation of reason, location, start/end dates	Operations Manager prior written authorization — mandatory	Within standard invoice deadline; retroactive authorization not accepted
TONU	Customer/broker cancellation confirmation with timestamp; dispatch records; mileage verification	No prior authorization; customer cancellation is the trigger event	Within 2 business days of cancellation event
Fuel Surcharge (Variable)	DOE weekly diesel index screenshot/printout dated to load pick-up week; FSC calculation worksheet	Per rate confirmation method; no additional authorization	At invoice generation; included in billing packet
Stop-Off Charges	BOL or delivery receipt for each stop; rate confirmation authorizing stop-off charges	Rate confirmation must authorize; or Operations Manager written approval	Standard invoice deadline
Redelivery Fees	Documentation of original failed delivery attempt (driver notes, facility refusal record); reason for	Billing Supervisor approval before invoicing	Standard invoice deadline

Accessorial Type	Required Documentation	Authorization Required	Billing Deadline
	redelivery		

Appendix C — Invoice Dispute Response Letter Template

To be used by Billing Coordinator or Billing Supervisor in response to formal invoice disputes. Customize bracketed fields before sending. All dispute correspondence must be logged in the AR system per Section 9.1.

[Company Letterhead / Logo]

Date: [Date]

To: [Customer/Broker Contact Name]
[Company Name]
[Address]

Re: Invoice Dispute Response — Invoice No. [Invoice Number] | Load No. [Load Number]

Dear [Contact Name],

Thank you for bringing your concern regarding Invoice No. [Invoice Number], dated [Invoice Date], in the amount of [Invoice Amount], to our attention. We have reviewed your dispute, received on [Dispute Receipt Date], and provide the following response.

Disputed Item(s): [Describe the charge(s) in dispute]

Our Determination: [State whether the dispute is valid, partially valid, or invalid, and provide a brief, factual explanation supported by the billing packet documentation.]

Resolution: [State the proposed resolution: credit memo issuance, rebilling, or no adjustment with supporting rationale.]

Supporting documentation substantiating our position is attached for your review. If you have additional questions or require further documentation, please contact our Billing Department at [Billing Contact Information] within [X] business days.

We value our business relationship and remain committed to resolving this matter promptly and fairly.

Sincerely,

[Billing Coordinator / Billing Supervisor Name]
[Title]
[Company Name]
[Phone] | [Email]

Appendix D — Detention Log Template

This form must be completed by the driver whenever free time is exceeded. Submit to dispatch as soon as free time expires. A facility stamp or written acknowledgment must be obtained whenever the facility will provide it. This log is required to support any detention billing claim under Section 7.1.

Load Number: ______________________	**Date of Detention:** ______________________
Driver Name: ______________________	**Truck / Unit Number:** ______________________
Trailer Number: ______________________	**Facility Type:** ☐ Shipper (Origin) ☐ Consignee (Destination)
Facility Name: ______________________	**Facility Address:** ______________________
Scheduled Appointment Time: ______________________	**Actual Arrival Time:** ______________________
Free Time per Rate Confirmation: ______________________	**Free Time Expiration Time:** ______________________
Departure Time from Facility:	**Total Billable Detention Time:**

Load Number: ___________________________	Date of Detention: ___________________________
___________________________	___________________________

Reason for Delay (describe in detail):

Dispatch Notification Time: ___________________________ **Notified Via:** ☐ App ☐ Phone ☐ Text

Facility Acknowledgment (Stamp or Signature):

Driver Signature: _________________________________ **Date:** ___________________

Dispatcher Verification: _________________________________ **Date:** ___________________

Appendix E — Billing Submission Timeline Reference Card

Quick reference for all billing personnel. Post at billing workstations. Refer to Sections 8 and 10 for full detail.

Scenario	Deadline	Escalation Trigger	Key Contact
Standard load invoice submission	5 business days from delivery	Day 3 = Billing Supervisor; Day 7 = Director of Finance	Billing Supervisor
Quick-pay customer invoice submission	2 business days from delivery	Day 2 = Billing Supervisor	Billing Supervisor
Factored load submission to factoring company	1 business day from delivery	Same-day escalation to Billing Supervisor if delayed	Director of Finance
TONU billing submission	2 business days from cancellation	Day 2 = Billing Supervisor review	Billing Supervisor

Scenario	Deadline	Escalation Trigger	Key Contact
Dispute acknowledgment to customer	3 business days from dispute receipt	Day 3 = Billing Supervisor notification	Billing Coordinator
Dispute resolution	10 business days from dispute receipt	Day 10 = Director of Finance escalation if unresolved	Director of Finance
Driver POD submission — digital	4 hours from delivery	Immediate flag to dispatcher after 4 hours	Dispatcher
Driver POD submission — paper fallback	24 hours from delivery	Dispatcher notifies Operations Manager after 24 hours	Operations Manager
Overdue invoice — past customer billing window	Immediate escalation	Director of Finance reviews for revenue preservation action	Director of Finance
Write-off authorization — under $250	At time of AR determination	Billing Supervisor sign-off required	Billing Supervisor
Write-off authorization — $250 and above	At time of AR determination	Director of Finance approval required; COO notification above $1,000	Director of Finance / COO

ⓘ **Questions?**

For policy interpretation questions or guidance on specific load circumstances not addressed in this policy, contact the Director of Finance and Billing Operations. For urgent operational decisions, contact the Billing Supervisor or Operations Manager.

Owner: Director of Finance and Billing Operations | Approved By: COO | Supersedes: BOF-POL-006 v1.x | Next Review: July 16, 2027