

New York City Housing Authority

Automation and integration of an efficient billing and collection platform to process over 2 million rent payments each year

Case Study

The Client The largest public housing agency in the U.S. consolidates billing and collection services with Citi to cut costs and improve efficiency.

The Challenge The New York City Housing Authority (NYCHA), which provides affordable housing to more than 400,000 New Yorkers, needed to both trim the costs associated with processing its monthly rent receipts and modernize its collection system.

Each month, the authority must issue more than 175,000 invoices to, and collect an equal number of payments from, tenants of rental apartments citywide that fall under its jurisdiction.

Its invoices and payments continued to be handled primarily via traditional paper-based processes. Invoices were sent to tenants via the postal service and, in turn, tenants mailed their payments and remittance stubs to a third-party lockbox service provider in Nebraska or paid in cash at check cashing outlets.

Faced with growing budget constraints, the agency realized that the time was right to revamp its invoice-to-payment activities. In response, it sought, through competitive bidding, a partner who could introduce more automation, create more convenient payment options for its tenants – and drive down its billing and collection expenses.

The Solution NYCHA selected a comprehensive collection system from Citi based on the breadth, depth and flexibility of its receivables capabilities, plus Citi's presence in and understanding of the New York marketplace.

The multifaceted solution not only accelerates payment collections, but introduced straight-through electronic payment options and new levels of automation and efficiency.

Check and money order handling, for example, was moved to Citi's state-of-the-art lockbox facility in New York, which features high-speed mail opening and check processing capabilities plus advanced data capture and check imaging technologies.

With the ultimate goal being to reduce paper work and manual collections, Citi implemented its Present and Pay solution, a web-based bill presentment and payment platform. With Citi® Present and Pay, NYCHA tenants can retrieve their bills online through an NYCHA-branded portal and make electronic payments directly through the site, via web or touch-tone phone. Citi also set up an electronic receivables solution that ensures that payments made via home banking websites are treated as true electronic payments and not converted to paper checks that must then be processed as costly special exceptions through the lockbox processing center.

No matter how tenants choose to make their rent payments, all collections data is integrated into a single payment file that is transmitted to NYCHA daily, even Sundays, to update A/R records and speed account reconciliations.

The Result

With its new collection system, the New York Housing Authority has gained more cost-effective processes, consolidated data reporting plus faster access to its funds.

Using Citi's NYC lockbox processing facility has minimized the mail float for payments originating in New York's five boroughs. In addition, the volume of payments processed within the monthly billing cycle is maximized thanks to Citi's back-dating capabilities and dollar balancing at the transaction, batch and transmission levels.

Controls are built into every point of the payment production process to ensure high degrees of accuracy. Digital imaging and electronic tools provide fast access to payment data and facilitate straight-through processing of exception items.

Plus, NYCHA employees can now access billing history and transaction data online, including daily detail and summary reports, quickly and easily online, and view and retrieve stored invoice and check images.

More important, NYCHA put in place attractive, convenient and simple-to-use electronic billing and payment options that align with the changing payment preferences of today's consumers. Its comprehensive suite of electronic payment options sets the stage for replacing cumbersome paper-based transactions with faster, more reliable and less expensive paperless processes.

"This partnership with Citi allowed the Authority to reduce the billing and collection cost, minimize the manual back office processes, improve the cash flow, and most of all, improve the services provided to our residents." – Adham Choucri, Deputy Director, Revenue & Receivables, Accounting & Fiscal Services Department, New York City Housing Authority.