

## **WHAT SHOULD BE INCLUDED IN AN INVOICE FORM?**

All roofing contractors are encouraged to execute a contract before performing any roofing work. A contract sets forth the terms of the agreement between the parties. For the roofing contractor's benefit, the roofing contractor can seek to include clauses in the contract that provide for the timing of payments, interest on late payments and the recovery of attorneys' fees. There are times, however, when roofing work proceeds without a contract. For example, most often, leak repair work is performed without a formal contract establishing the terms of the parties' agreement. Is the contractor left without many of the protections he or she would seek to include in a typical construction contract? Not necessarily.

In the absence of a formal contract setting forth the terms and conditions of the parties' agreement, the roofing contractor is still entitled to payment. Presumably, the parties have agreed, verbally or in writing, on the work to be performed and the price to be paid for the work. When the work is complete, the roofing contractor is left without recourse but to send an invoice for the work. Preparing and sending accurate invoices promptly after performing work will help speed up the process of turning outstanding invoices into cash.

Invoices to customers to recover payment for work performed must be identified as an invoice with the words "Invoice" or "Bill" and include the amount due. Although this may seem obvious, it is essential to clearly display the exact amount of the payment due. Any confusion about the amount due will only delay payment. If the services were for a project and the

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payment amount was a flat fee agreed upon beforehand, this should be listed on the invoice. If, on the other hand, the arrangement was an hourly fee arrangement, the number of hours billed should be included on the invoice. It will also be helpful to include the date or dates on which the services were rendered.

Invoices should also include the payment due date. Along with the amount of payment due, this is one of the most important elements of the invoice. Without it, a roofing contractor cannot count on being paid on time and has no real method to track accounts receivable. It is also important that the invoices include the invoice date. This shows customers when the grace period for payment begins and gives them a general idea of when the services were performed. Invoices should also list thorough descriptions of the services provided and the conditions under which they were provided. This lets customers know what they are paying for. Many times, the person reviewing the invoice is not the same person that who arranged for the work to be performed. Without this information, the customer might not know what the invoice is for and, consequently, will not return payment.

Invoices should also include the customer's information. This includes the customer's address, telephone number, Social Security or tax ID number, and any other relevant information.

With an invoice, a roofing contractor can ensure his or her rights to recover interest and attorneys' fees are preserved by adding a sentence that reads, "Payments due the roofing contractor and unpaid shall bear interest from the date payment is due at the rate of 1½ percent per month, and roofing contractor shall be entitled to recover all costs of collection, including

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reasonable attorneys' fees, incurred by roofing contractor as a result of nonpayment by owner.”

Many states enforce these interest and attorneys' fees provisions that are set forth on an invoice, especially if the recipient of the invoice voices no objection to the language once the recipient receives the invoice.

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