

HOW TO PREPARE AN INVOICE

EXAMPLES AND TEMPLATES

Introduction

This document will explain how to prepare an invoice and provide the reader with a working example template.

Invoice Requirements:

Company details:

The following should be included:

- Company name
- Company address
- Company telephone number and email address.
- Company number
- VAT registration number (if VAT registered)

Invoice number:

Each of your invoices should have a unique invoice number. Although it is called a number it can include letters. A common method is to prefix invoices with letters that indicate the client.

For example: If you provided services for DJ Construction, you could use DJC001 and DJC002 and so on.

Using three placements for the numbers will ensure they sort in date order.

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Dates:

You should include the following dates:

- Date: the date the invoice was raised.
- Due date: the date by which payment should be made. Normally 30 days after the invoice date.

Client details:

The name of the agency, or client if contracting directly.

Fees:

This section requires the following:

- A description of the services provided
- The gross amount due.
- The VAT amount, if you are VAT registered.
- The total amount due.

For example:

20 Days @ £500 per day	Amount:	£10,000
	VAT:	£1,175
	Total:	£11,175

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Payment terms:

Specify how you would like to receive the money. For example:

- Payment should be made within 30 days by cheque or money transfer.

- Cheques should be made payable to 'My Company Ltd'.

- Money transfers should be sent to: (and details of the bank account, see example:
 - The Contractors Bank
Sort: 01-01-01
Acc#: 012345678
Reference: Use invoice number

Most agencies and clients do not pay via cheque and choose money transfer. Cheques can be inconvenient. If you wish to only be paid by money transfer then use the following:

Payment should be made within 30 days by money transfer only to the following account:

The Contractors Bank

Sort: 01-01-01

Acc#: 012345678

Reference: Use invoice number

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Email the invoice, or post it?

Your agency or client will specify how they would like to receive the invoice. Some require will request a paper copy.

If you are permitted to submit your invoice via email then it is useful to convert the invoice into PDF format so that it cannot be altered.

What about timesheets?

Most agencies and clients require a timesheet to be signed and a copy included with the invoice. Ensure you take a copy of the timesheet before sending it in!

SOME GENERAL ADVICE ON INVOICING!

1. Your invoices should be sent out quickly. They are second in importance only to your Sales Calls, so therefore make the time to set up the invoices and SEND THEM OUT ASAP!
2. When meeting with clients, establish what format they need the invoice in; some may prefer to be emailed a pdf version, while others they need hardcopy in the post
3. Make your invoices insistent. Make it clear that the client has to pay by a specific date. Why not say something like "This is due to be paid by OR To be paid before xx/yz/zz.)
4. When creating estimates for clients, make sure that you include your payment terms and/or payment schedule. That way they are clear from the outset when you will require the payment
5. State the fact that late payment can be subject to European Communities (Late Payment in Commercial Transactions) [Regulations 2002](#). You are entitled to charge this interest and to cover your costs of collecting the payment
6. Also, on the invoice, you could consider having a statement in relation to the negative impact that late payment has on business generally
7. In the cover letter/email/compliments slip, request confirmation that the client has received it, and why not also request confirmation of the date on which the payment will be made?

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8. You should find out WHO is responsible for clearing the invoice for payment, and who is responsible for processing the payment. Get the contact details for both parties and record them carefully in your system
9. If you don't passively receive confirmation from the client, actively send an email to them and ask again for confirmation of receipt and of payment date
10. Once you have a date agreed by which payment is to be made, take careful note of it in your system
11. A week or a few days before that date, email the client a reminder: "Just a reminder that this invoice is due to be paid by or before x/y/zz. With thanks..."
12. If payment is not received on the date, email the client again the very next day, attaching a copy of the invoice. Depending on your relationship with the client, you could also remind them that late payment fines are already taking effect
13. At that stage it becomes a credit control matter, which is another story for another day
14. ULTIMATELY, you need to have clear terms & conditions agreed with your clients up front in order for your invoicing to run smoothly. Get your clients to sign a document wherein those terms & conditions are clearly outlined, including the need for prompt payment