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HELPING SMALL BUSINESSES GET PAID

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Make sure you issue an invoice

Issuing an invoice for your services is a really important step in making sure you have cash in your business. If you don't issue an invoice, you reduce the chances of being paid – simple as that. Billing for your services is not an administrative timewasting task – it is critical to the health of your business

BELOW ARE SOME HINTS AND TIPS FROM THE CHARTERED INSTITUTE OF CREDIT MANAGEMENT TO SUCCESSFULLY GETTING THIS DONE

1. **Do it quickly** – make sure you issue your invoice as soon as the work is complete. The method you use should be fast and easy for you and for your customer – email, e-invoicing or first class post are some of the options

2. **Make sure it is correct** – any mistakes on the invoice will slow down getting paid. Review your process and make sure the bills are right first time

3. **Customer friendly** – ask your customers what they need on their invoice to make sure it is approved and paid quickly - as a minimum make sure you include the following:

- Full name and address of you/your business
- Your VAT registration number
- Date of the invoice
- Tax point (if not the same)
- Customers name (make sure its right)
- Customers address (make sure you know where they want the bills addressed)
- Delivery date and method
- Customer's Purchase Order number (find out if they need one)
- A clear explanation of what goods/services have been supplied
- Accurate details of quantities, pricing and total amounts due
- Payment terms and due date – make the customer knows this at the outset
- How you want payment to be made – include bank details (sort code, account number, reference number) include BAN number for non UK customers
- A unique serial number that you can track – sequential usually works best
- Very clearly show amount due before VAT, the VAT amount and the overall total you want to be paid

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4 **Interest where its due** - always make sure you add the this wording to your invoice 'We will exercise our right to claim statutory interest at the rate of 8 percent above the Bank of England Base Rate and compensation for any debt recovery costs under the Late Payment legislation, if we are not paid in accordance with our payment terms. Ensure your terms and conditions are clearly detailed on the back of your invoices and that you have shared with the customer at the start of your business arrangement

5 **Deal with any queries** – make sure you reply quickly to any questions relating to your invoice and have a process in place that ensures any disputes can be quickly resolved. Keep a close eye on disputes – make sure that a small technical query is not used to delay a large payment which is due

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ASK YOURSELF THESE QUESTIONS:

·Are your invoices raised and issue immediately that the work has been completed?

·Do you have a process to make sure that the details on the invoice are correct before it goes out

·Have you checked that everything your customer needs is on the invoice?

·Do you use dedicated accounting software?

·Is the method you use to deliver your invoices, the most effective it could be?

·Do you keep records of disputes and identify and identify any repeat issues, and review processes to prevent?

·Do you know which customers complain to delay payment?

·Do you havean effective dispute resolution processand make sure you keep your customer informed?

·Are your invoices fully HMRC compliant if you are VAT registered

·Do you make sure you ask the customer to quote any reference number that you need to identify the payment?

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"If you don't issue a bill, you are very unlikely to get paid – getting your invoices out on time is a critical part of your business"

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