

TIP OF THE MONTH - WHAT'S IN AN INVOICE?



Most of the businesses we know are pretty good at what they do. A good number are less good at getting paid. As a firm we can help with “credit control”, but let’s consider the very basic element: you do the work or provide the goods, and then you bill for it – there should be no “disconnect” here.

So let’s think about your **invoicing**: it needs to be prompt and positive: your customer asked you for a product or service, you delivered it and now you ask them to pay for it.

What needs to go on an invoice? There are some “core” elements plus others depending on what you do or how your business is set up, and these do differ from, say, your letterhead or email templates.

For Limited companies:	For sole Traders and Partnerships:
<ul style="list-style-type: none"> • The full company name (as it appears on the certificate of incorporation) • Any business name used • The Company Number • The address of your Registered Office • Your trading address, if different • You do not need to state the Directors names, but if you do, include ALL directors 	<ul style="list-style-type: none"> • Your name, or business name • Your trading address • Partnerships may choose to state the names of the partners on invoices, but if so must name ALL the partners

If you are VAT-registered you also need to state:

- Your VAT number
- The rate of any cash discount
- The total amount of VAT charged
- Unit price and number of units if appropriate
- The VAT rate applied
- The total before VAT
- Any zero-rated or exempt items separately, noting there is no VAT on them
- A (unique) “trackable” VAT number

There are a couple of other things you might find helpful to include on your invoice. Order numbers or a note of the order source (or delivery) may help in some cases, particularly when dealing with larger or more diverse customers. You might like to re-state the payment terms you've hopefully already agreed. You have the right to charge interest on overdue payments and some people like to mention that. It may also be useful to remind customers HOW they can pay, by including your bank details, noting credit card facilities, or so on.