

***Invoice your clients clearly and by the rules
to get paid quickly.***

Executive Summary: Invoices get paid untimely for numerous reasons. The reason for slow payment should never be because of you – the party billing. Keep billing simple and in accordance with the payer’s guidelines to get paid quicker.

What is an invoice? An invoice is a document generated by you that you provide to your client so (s)he can pay you. It comes in different types:

- Progress estimate – a set price for the work is billed monthly by the quantity. So, perhaps you have a \$1,000,000 contract that gets paid monthly based on unit prices for quantities of work completed.
- Lump sum – a product or service is provided at a lump sum price. For example, your traffic engineer may charge you \$1,200 for his professional service of stamping your traffic control plan.
- Unit price – a product or a service is provided based upon unit rates. An example is aggregate from the pit charged at \$6.15/ton at 22.34 tons is \$137.39.



Requirements of invoices. Depending on your client, the requirements of your invoices may be simple or complex. Here are some tips for you on getting paid timely and creating clear and simple invoices:

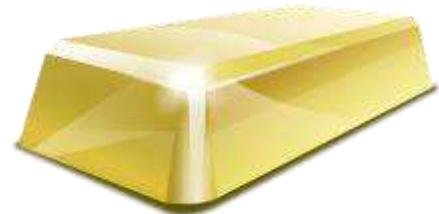
- **Tip #1 – find out who “presses the button”** – someone in the accounts payable department presses the button to wire/ACH you the money or to physically print the check. Find that person early on and make sure you keep her happy (it’s usually a woman).
- **Tip #2 – bill it so a 5th grader could pay it** – make your invoice so simple that even a 5th grader can understand it.



Consider these items below:

- Today’s date – get the date right because it is from this date that your payment date is calculated
- Invoice number – I use a job number and then a sequential number after it like 1070-01 (the 1st invoice of job number 1070)
- Terms – net 15, net 30, etc. Don’t be afraid to put Upon Receipt if you failed to negotiate terms – the worst that can happen is they say no and put you in the 30 day queue.
- Period – if this covers a period of time make sure to state the beginning and end of the period (and make sure it marries up with the last period’s bill – don’t leave any days between the periods so that the payer will know they’re paid-to-date!)

- Attach contract – if you can attach the portion of the contract which verifies for the payer the agreed upon unit rates they will not have to go to the field to get it from the project manager.
- Attach compliance documents – if you must be current on your taxes or your Union dues, attach proof of this.
- Include helpful language – if it helps you to include the client’s job number or their project manager, a description of what was completed on site, language on your invoice that helps the client get reimbursed for your work, or other descriptions, include it!
- Don’t argue, just do – I’ve heard over and over in my career things like “I’m not going to bill in blue ink, that’s stupid”. And what happens, you don’t get paid. Reserve your energy on fighting “stupid rules” for at home with the kids or your spouse. If the client wants the invoice submitted on toilet paper, just do it.
- **Tip #3 – bill as frequent as they allow** – this project was about \$350,000 but was considered so small by the entity that they just paid us like regular accounts payable. I billed them weekly because \$50,000 a week was nothing to this company.
- **Tip #4 – get an in-house notary** – many of our invoices had to be notarized. Getting an in-house notary just saves time. What can take ½ an hour in the bank can take two minutes with your in-house notary. At one time I even had my superintendent become a notary!
- **Tip #5 – accept “The Golden Rule”** – you know the saying “he who has the gold makes the rules”? It’s pretty simple, it means that whomever is paying you makes the rules on when you’ll be paid. Your takeaway from “The Golden Rule” as the payee should be to satisfy the payer and you’ll get paid.
- **Tip #6 – get payment guidelines in writing** – on smaller and simpler clients, or even day-to-day invoicing, this doesn’t apply. You simply invoice for the widget and you get paid. But, so many of us have been slow paid due to conflicting lien amounts or dates, outdated billing forms, improper joint check information, or emailing your invoice to the wrong email address. Request the guidelines, in writing, from larger clients so that you can point to these guidelines when you’re not paid timely. There are also sometimes many, many rules – this is the other good reason to have it in writing (so you don’t miss a step).



My story. Each of the tips above was from personal experience. I have just always found that whomever creates a clear and compliant invoice gets paid quicker. Whether you’re on the payer or payee side, just keep it simple.