

week::nine

Invoicing & Billing

When to Invoice

Every Month

Bi-Weekly

One-third Billing

Notes:

- Regardless of when you invoice, your *terms* should always be Net 30. You can also consider charging interest after a set period of time (like your doctor's office does).
- In addition, you **MUST** be consistent with your billing—companies dislike things that are not predictable and consistent.

Advantages of Prompt Billing

- Good cash flow.
- Client is still happy with the job, so is not as likely to question the bill.
- Any questions/disagreements can be settled while the job is still fresh in your mind.
- Paperwork doesn't build up.

What Information to Include

All invoices should include:

- Complete client information
- Basic project information
- Invoice number
- Date range
- Invoice date
- Terms
- Basic breakdown of charges
 - Hours X rate = Total
 - Additional description of charges as needed
- Total owed
- Previous amounts due and any payments received.
- A show of thanks



Getting Your Money

Using Online Services

- Some services (including time tracking apps) allow for not only the creation of invoices but provide the ability for your clients to pay online.
- This is super-convenient to the client (and you), though the service will take 3%–6% of the total as a service fee. That can add up quickly.

What to do if they don't pay

- Read **Chapter 6 (Getting Paid)** in the course textbook.

Invoicing Dos and Don'ts

What you can charge for:

- All time spent on behalf of a client is billable, including travel, meetings, waiting for meetings, and phone conversations.
- Outside expenses
 - Mark external costs 15%–30%, with the average being 25%. Charge what the standard is for your area.
 - No need to detail this markup in your invoice.
- Changes outside the scope of the original project estimate/proposal.
- Everything you bill for, however, must be *filtered* to make sure that it does in fact make sense to bill that time and/or expense.
 - Will the client understand?
 - Does it make sense to bill *X and Y* at this time in the project?
 - Can we justify it if called by the client?

What you can't charge for:

- Mistakes/typos that you make
- Changes you forget to make
- Poorly setup digital files
- Computer crashes
- Misdirection of a freelancer or service bureau