

Common Invoicing Errors

In no particular order

1. **Late Invoicing** - Invoice on time and within a day or so of providing service or shipping - Customers often take late invoicing as an invitation to pay late –
2. **Create the invoice but don't send it** – Many companies accept emailed invoices now and we don't have to stop at the end of the day and take them to a mailbox, but it's easy to miss, make sure the invoice goes out.
3. **Wrong address or email** – read [Collection Prevention Part 1](#) – it's all about getting good contact information.
4. **Wrong date** – Use the date service was provided or product was shipped not the day you happen to be doing the invoice – if you invoice on time this probably won't come up
5. **Send the invoice to purchasing** – It's not uncommon for the only available information to be for purchasing. They may or may not pass your invoice on to accounts payable. Assume they won't and at least send it to both. Even if purchasing needs to approve the invoice AP will track them down for the approval.
6. **Insist on mailing when they want email or vice versa** – unfortunately we need to cooperate with our customers systems and provide the invoicing the way they want to receive it.
7. **No information on the invoice** – Most people won't pay an invoice without details of what it's for – provide that information in front instead of waiting to be asked
8. **No invoice number or unwieldy invoice number** – Make it easy! If they can't enter it easily or find it easily it's going to hold up payment.
9. **Duplicate invoice numbers** – You're just not going to get paid. I haven't seen a system yet that can accept duplicate invoice numbers. It's confusing and generally leads to one of them not being paid or having to redo the invoice.
10. **Wrong merchandise listed or shipped** – If you ship the wrong product or list the wrong product on the invoice you're not going to be paid on time.
11. **Purchase Order Errors** – any PO error is going to hold up payment
 - a. No PO listed on the invoice
 - b. Wrong PO listed on the invoice
 - c. PO doesn't match the invoice
12. **Payment Posting Errors**
 - a. Not posting payments at all
 - b. Posting payments late
 - c. Posting payments incorrectly
 - d. Paying the oldest invoice first instead of what's listed on the remittance advice – do this often enough and you'll never be able to unwind it. Even the IRS has to pay what the taxpayer says they are paying.

Avoid as many of these errors as you can and you'll find most of your collection problems disappearing.