**The Art of the Invoice**

There is an abundance of information conveyed about you and your practice through the invoices that you submit to a clinic. It can speak volumes about your professionalism, familiarity with the relief business, business acumen, and attention to detail.

Don't underestimate the importance of spending dedicated time preparing and sending invoices, but don't let the prospect intimidate you either.

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We'll break down the invoice format into sections to briefly chat about each one. An invoice template is available in our Forms Folder. Please feel free to download, edit, and use as a starting point for creating your own. We've also made some recommendations for online accounting software in on our "Tools& Resources" page under "Recommendations".

**Consider the basics…**

*Schedule time*
Dedicate at least 2-3 days per month for administrative work. Your administrative work will not be limited to creating, sending and receiving invoices, but it is easier to stay focused when you group "like" projects together.

*Track your hours*
Unless you work for a set fee per shift, find a convenient way to track the number of hours you spend at each clinic. Those extra "end-of-shift" hours definitely add up. Invariably, there will be days when you stay over your contracted hours. Many formats for tracking your hours are available - consider changing the start/end times on your calendar to creating the invoice at the end of each shift – but find the solution that is quick and easy.

*Track your fees*
Are you charging a different rate for different clinics based on geography, clientele, hours worked, etc.?
Make sure that you have a clear and set routine for tracking the fees that you originally gave the clinic when you established the contract and that these are accurately reflected in your invoice.

*Decide on your process and stick to it*
Will you be sending a receipt?
How long will you wait for payment before resending an invoice?
Will you charge for late payments? How much?

Develop a consistent pattern and stick to it. Consistency is more to preserve your sanity than anything else. When you have shifts at multiple clinics in a week and more of the same every week of the month, you need a process that is simple, quick and efficient.

*Paper's in the past*
Keeping track of your expenses and income on paper or in a spreadsheet works well when working only a few shifts or shifts at only a few clinics, but there are too many great, inexpensive options for accounting software programs to stick with paper. You need to become familiar with the ins and outs of your accounting while only dealing with a few shifts or a few clinics.
Take the time to learn an accounting system now so that as you begin expanding, you don't have to learn a new system "on the fly". There are a few of our favorite accounting software systems under "Recommendations" on the "Tools & Resources" page.

## Layout

Put some thought into what impression you want to create with your invoice - there are lots of design templates to start with on any word processing software. Sort through some and see what catches your eye. Let's talk about some of the elements you might find:

*Heading*
Consider putting your logo and business contact information in the header. Even if you don't have a logo, a monogram looks nice and can contribute a more professional appearance.
Include your business name, business address and contact information in the header too.

*Clinic information*
Address your invoice to the clinic manager with clinic information.

*Date & invoice number*
Make sure you date the invoice so your clients know when it was sent out.
If you need to send out a second invoice (the first not paid on time), you have the date on record.
Numbering your invoices is useful for your accounting system (tracking which invoices have been paid or not) as well as the clinic's.

*Description of charges*
Be specific in your charges.
If you're charging for transportation separately from your base rate, make sure that that is clearly indicated.
Provide a total for payment due.

*"Payable to"*
Make your address and "make checks payable to" information clearly visible to reduce errors in check-processing and help the clinics get your payment to you as quickly as possible.

*Thank you message*
It's a nice touch to say "thank you" for the clinic's business and encourage repeat business.

*Payment policies*
If you have specifications about payment, late fee charges, etc. make sure to include them on every invoice so that they are clear and obvious.

**Sending the invoice**

*Select your method*
Your method of accounting – paper based or accounting software - will determine your method of getting the invoice to the clinic.
Accounting software makes sending invoices simple with the process built into the system and will track sent-dates and payments.
If you're using a paper-based system or creating an invoice from a document, remember to send a PDF file and not an edible document.

*Track pending invoices*
Create a process to track which invoices have received payment and decide when you will send out repeat notices for unpaid invoices.
Again, the process for this is heavily reliant on the accounting system you've chosen. Tracking pending invoices is one of the strongest reasons to invest in accounting software. Tracking unpaid invoices and remembering to resend open invoices can be difficult, especially if an invoice does not receive payment for several weeks (or months).

**Receive payment**

*Hoorah! Our favorite part!*
When you receive a payment, don't forget to mark the invoice as paid! Are you going to send receipts to the clinics? If so, remain consistent so clinics know what to expect from you.

*Business structure*
When you're initially setting up your accounting process, determine whether you want to function as a sole proprietor or an entity (i.e. LLC).
Will you deposit the funds into your personal bank account or do you want to manage your business income separately through a business checking account? Making this determination early on makes accounting at the end of the year easier – but it's not impossible to make a change as you feel out which method works best for you.

*Self-employment tax*
If you are working as an independent contractor, you are responsible for self-employment taxes. Set aside a portion of each payment toward taxes so you are not caught by surprise at the end of the year. Both federal and state taxes need to be considered, so find out what a good "set aside" percentage is from your accountant.

**Late payments**

*Tracking*
Make sure you can easily identify invoices that have not yet been paid so that you can send them out again. The clinic manager or owner may just need a friendly nudge to remind them that they have an invoice overdue.

*Clear expectations*
Make sure late fees are clearly displayed on your original invoice. It's better to have this information in writing than to simply verbally inform the owner/clinic manager when initially establishing your rates and fees.

*Flexibility is key*
Structure your budget to allow for a great deal of flexibility. If a clinic is late on a payment or you don't get your invoice out on schedule, make sure you have flexibility built into your budget to provide you with some financial security.

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Invoicing is an enormous portion of a successful relief practice – spend some time planning out your invoice and payment collection strategy and you will be glad you did!

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