

Sage Simply Accounting | Invoicing and Billing White Paper

Invoicing and Billing: Formalizing Your Small Business Record Keeping



As a small or home-based business you may have started off with paper-based or a simple spreadsheet system to manage your accounting needs. You now realize you need to formalize your accounting processes, improve your record keeping, and make better use of your time.

Whether you're sending bills for your professional or commercial services business, running a retail store, invoicing customers for receipt of goods as a small wholesale distribution business, or managing any other small business, you need to automatically create and send professional invoices, track them and follow up for payment. You also need a mechanism for not only managing invoicing and billing, but consolidating your receivables data (money you receive or expect to receive from customers) in order to make it accessible at any time for a full and accurate view of your business financials. As your understanding of your business financial position improves, you'll be better equipped to make productive business decisions.

Disadvantages of Manually Tracking Invoicing and Billing

Manual invoices are inefficient to create, difficult to track, and often hard to collect from customers. They lack accounting controls and don't portray a professional image. Keeping track of paper invoices from vendors and suppliers can be error-prone and costly. You run the risk of making duplicate payments to individual suppliers or missing others completely.

The ability to track time for billing purposes, which is critical for service type businesses, is important to consider. You want to avoid guessing how many hours you actually spend on a project by logging your time as you progress through your work.

So what is the Best Way to Set Up Professional Invoicing and Billing?

There's no need to struggle to manage customer payments. Sage Simply Accounting can simplify your billing and invoicing while saving you time and money; and you don't have to be an accountant to use it—just install and increase your productivity immediately by:

- Generating invoices with a consistent appearance to achieve a professional look and feel
- Preventing duplicate invoices, over-paying vendors, and making late payments
- Creating estimates and quotes that can be turned into invoices—thereby streamlining your business processes
- Better managing customers through easy look up, adjustment, and printing of invoices
- Sending invoices via email with a link for customers pay online immediately
- Accepting credit card payments online for improved on-time payments
- Automatically calculating sales tax on invoices, saving you time and money
- Invoicing in multiple currencies for improved flexibility
- Tracking the time you and your employees spend on various customer tasks or activities; and generating applicable sales invoices based on billable time

Let's go into more detail for some of these benefits:

Professional and Accurate Invoicing

Sage Simply Accounting generates professional, automatic invoices with a consistent appearance, and automatically updates your receivables totals to help you project your cash position. Sage Simply Accounting invoices include details such as: type of service or product, purchase order number, correct invoice amount, automatic sales tax calculations, and your business terms.

Sales invoices within Sage Simply Accounting can be either generated independently or created by converting sales orders or quotes into invoices. The software remembers the last invoice form you used and selects it the next time you invoice. The software can prevent duplicate invoices from being created, over-payment of vendors, and making late payments through a simple but accurate alert system.

Better Managed Customers and Payments

Sage Simply Accounting does more than just track invoicing and billing receivables—it stores a full customer list with contact info, addresses, and other customer data. Each time you post a receivables entry it is associated back to a customer. Using lookup and sorting capabilities, you can easily identify customers in good standing or those who are late with payments.

Invoices can also easily be emailed to customers that include a link for automatic payment through the free Sage Billing Boss invoicing tool—improving your chances for on-time customer payments. Online credit card payments through additional productivity add-ons can also be accepted to better manage customer payments.

Automatic Sales Tax Calculations

Service and sales revenue generated by your small business are likely subject to both federal and state sales taxes. You must understand when these taxes are applicable, track them accurately then file returns and remit payment on time or be subject to penalties.

Sage Simply Accounting not only automatically calculates applicable sales tax on your invoices but accurately tracks the collection of these taxes and the allowable deductions so that you can accurately report and remit these monies on time.

Invoice in Multiple Currencies

In this world of increasing globalization, you may need to work with customers and suppliers from around the globe. You want multi-currency options to easily deal with these customers and keep service and satisfaction levels high but without compromising financial accuracy.

Sage Simply Accounting can be set up to account for operations in a foreign currency. You can create foreign currency bank accounts, add foreign prices to your inventory and service items, pay bills and receive payments without having to manually convert the amounts to or from another currency. Reports can be used to display amounts in both the foreign currency and your equivalent home currency.

Accurate Time and Billing

Time and billing allows you to accurately track time spent working for your customers and create invoices based on the work provided. With Sage Simply Accounting you can allocate an employee's time spent on specific projects, tasks or activities using time slips and generate sales invoices for a specific project. You can analyze reports according to the activities performed for each customer to see where employee time is spent and which activities bring in the most revenue. Billing reports show you billable and non-billable hours and amounts, organized by employee, customer, or service activity.

More about Sage Simply Accounting

A respected software tool to help you manage all your financial records, including invoicing and billing, Sage Simply Accounting is the right choice for your small business. This feature-packed and easy-to-use accounting software allows you to manage your business in the language of your choice—easily switching between English and Spanish. It allows you to take control of your cash flow and keeps your financial affairs in compliance with a full-time audit trail and automatic in-house payroll and sales tax calculations—all while keeping your costs in check. And Sage Simply Accounting allows you to do what you do best, run your business knowing you have access to a diverse line of accounting options as your business changes and grows.

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