



INVOICING 101

The Invoice Fly Guide to Professional Invoicing

Structure, payment terms, follow-ups and automation — everything freelancers, contractors and small businesses need to get paid on time.



Getting paid shouldn't be complicated

If you're a freelancer, contractor, or small business owner, invoicing is not admin work—it's revenue management. The way you invoice affects your cash flow, your professionalism, and your client relationships.

This guide will show you how to invoice properly, from structure and payment terms to follow-ups and automation.

Master this, and invoicing becomes predictable. And predictable cash flow changes everything.

TABLE OF CONTENTS

01	Invoicing Fundamentals	3
02	How to Create an Invoice That Gets Paid	6
03	Common Invoicing Mistakes to Avoid	11
04	Payment Terms & Cash Flow Strategy	13
05	Handling Late Payments Professionally	15
06	Making Invoicing Faster with Invoice Fly	18
07	Keeping Your Invoices Organized	22

Invoicing Fundamentals

Before you optimize invoicing, you need to understand the fundamentals.

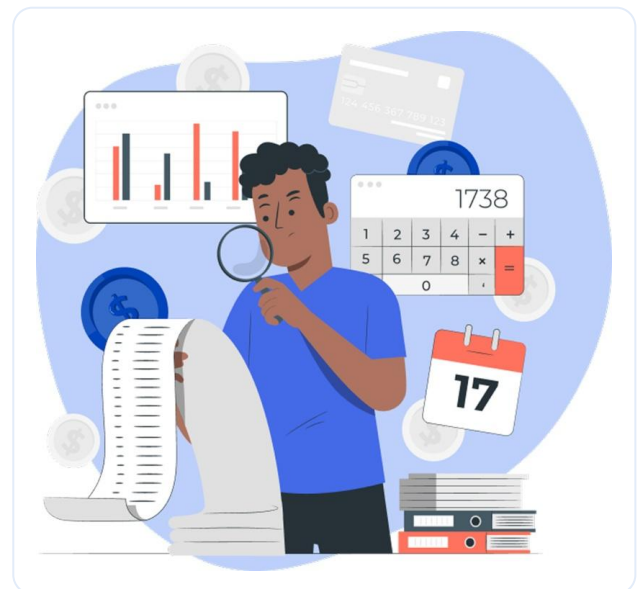
A good invoice is simple, clear, and complete. When invoices are structured properly, clients pay faster and disputes decrease.

1.1 What Is an Invoice?

An invoice is a formal request for payment. It explains:

- What was delivered
- How much is owed
- When payment is due

It's both a payment request and a financial record.



1.2 Key Components of Every Invoice

Every invoice should include:

- **Invoice Date** – Shows when the invoice was issued and starts the payment timeline.
- **Invoice Number** – A unique ID that keeps your records organized and traceable.
- **Your Business Details** – Clearly identifies who is requesting payment.
- **Client Details** – Specifies who is responsible for paying the invoice.
- **Itemized Services or Products** – Breaks down exactly what the client is being charged for.
- **Unit Pricing** – Shows how each item or service contributes to the total.
- **Taxes** – Separates required charges to maintain transparency and compliance.
- **Total Amount Due** – Makes the final payable amount impossible to miss.
- **Payment Terms** – Defines when and how you expect to be paid.
- **Notes** – Provides space for context, project references, or additional clarity.

Clarity prevents delays. Confusion causes late payments.

Invoice Fly's invoice maker structures these fields automatically so nothing important is missed.

1.3 Invoice vs. Bill vs. Receipt vs. Estimate

Invoice – Sent before payment.

Bill – Often used in everyday consumer transactions.

Receipt – Sent after payment is received.

Estimate – A projection of cost before work begins.

Each serves a different stage of the payment process.

1.4 Types of Invoices

Standard Invoice – A one-time invoice issued after completing work or delivering goods.

Recurring Invoice – Automatically issued at regular intervals for ongoing services.

Deposit Invoice – Requests upfront payment before work begins.

Milestone Invoice – Issued at agreed stages throughout a larger project.

Final Invoice – Sent once the entire project is completed and ready for full settlement.

Credit Invoice – Adjusts or reduces a previously issued invoice.

Proforma Invoice – A preliminary invoice outlining expected costs before work starts.

Different projects require different billing structures – the format stays the same, the timing changes.

1.5 When to Issue an Invoice

After completing work
 After delivering goods
 At project milestones
 On a recurring schedule

The rule is simple: Invoice immediately.

Waiting to invoice only delays payment. Invoice Fly can send invoices automatically the moment your work is complete, speeding up your entire billing process.

The screenshot shows the Invoice Fly 'Create Invoice' form. It includes fields for 'Who is this invoice from?' (company name and address), 'Bill To' (client name and address), 'Ship To' (shipping address), 'Date' (issued), 'Due Date', 'Payment Terms', and 'PO Number'. There is a table for items with columns for 'Item', 'Quantity', 'Unit Price', and 'Amount'. Below the table are sections for 'Terms & Conditions', 'Bank Account Details', and a summary section with 'Subtotal', 'Tax', 'Discount', 'Shipping', 'Total', 'Amount Paid', and 'Balance Due'. A preview of the generated invoice is shown on the right, and a 'Download' button is at the bottom.

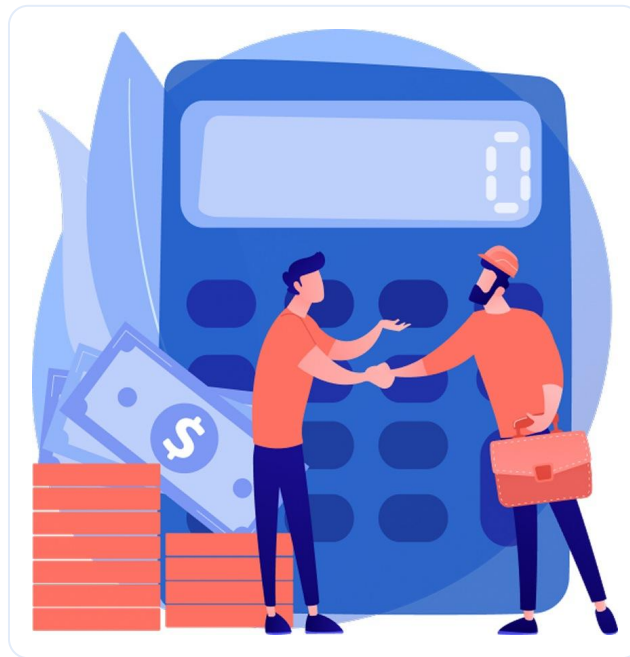
1.6 Invoice Examples

The first example is a clean, modern invoice with a dark header and footer. It includes fields for 'INVOICE NO.', 'DATE OF ISSUE', 'DUE DATE', 'P.O. NUMBER', 'BILL TO', 'YOUR COMPANY NAME', and a table for items with columns for 'DESCRIPTION', 'UNIT COST', 'QTY/HR RATE', and 'TOTAL'. The second example is a more detailed invoice with a blue header and footer. It includes fields for 'INVOICE NO.', 'DATE OF ISSUE', 'DUE DATE', 'P.O. NUMBER', 'BILL TO', 'YOUR COMPANY NAME', and a table for items with columns for 'NO.', 'DESCRIPTION', 'QTY', 'PRICE', and 'TOTAL'. Both examples show a summary section with 'Sub Total', 'Tax', 'Discount', 'Shipping', 'Total Amount', 'Amount Paid', and 'BALANCE DUE'.

How to Create an Invoice That Gets Paid

Invoice Fly makes it simple to create professional invoices, whether you're generating a quick invoice online or managing ongoing billing for multiple clients. You can use our free online invoice generator to create and download a polished invoice in minutes.

And when your invoicing needs grow, you can download the Invoice Fly App which supports payment tracking, recurring invoices, online payments, and automated reminders.

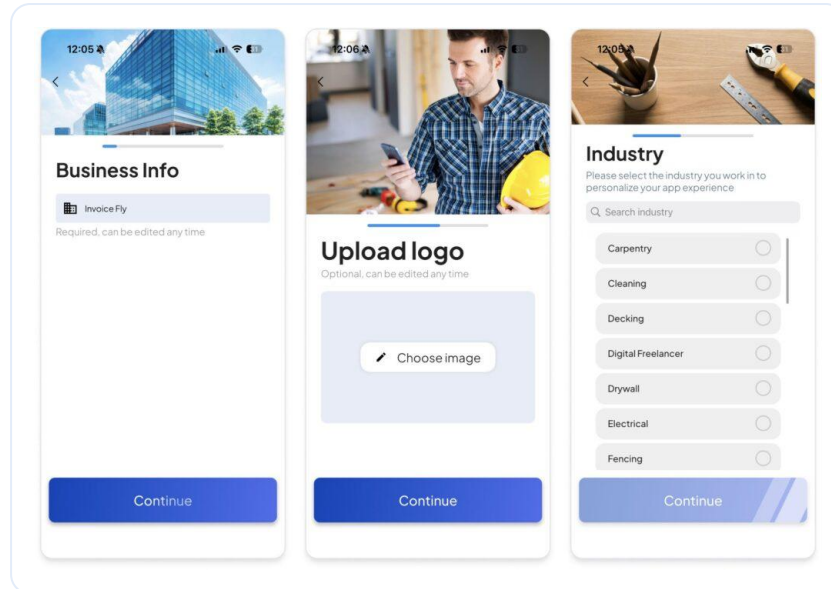


Regardless of how you use Invoice Fly, every invoice follows the same professional structure.

2.1 Creating Your Invoice

Step 1: Enter Your Business Information

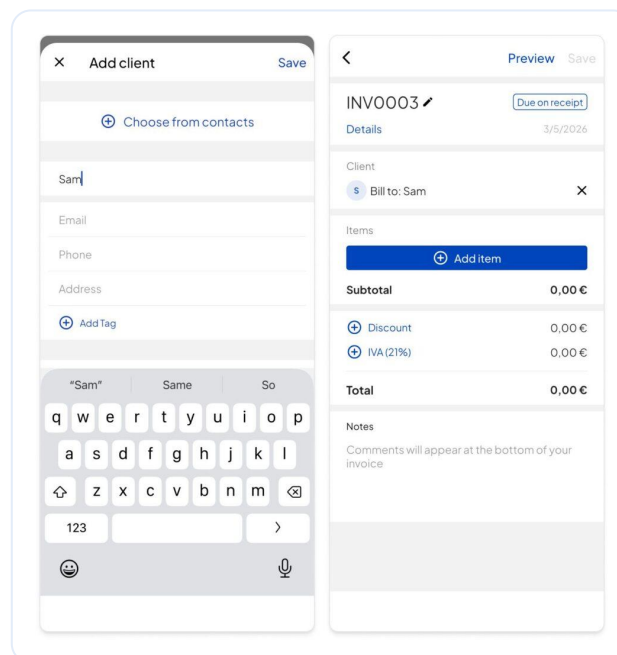
Start by adding your business name, address, email, and phone number. This identifies who is issuing the invoice and ensures your client knows how to contact you. If you're using Invoice Fly App regularly, your details can be saved for future invoices.



The first screenshot shows the 'Business Info' screen with a header image of a modern building. It includes a text input field for 'Invoice Fly' with a note 'Required, can be edited any time' and a blue 'Continue' button at the bottom. The second screenshot shows the 'Upload logo' screen with a header image of a man in a plaid shirt. It features a large light blue box with a 'Choose image' button and a blue 'Continue' button at the bottom. The third screenshot shows the 'Industry' selection screen with a header image of tools on a workbench. It has a search bar, a list of industries with radio buttons (Carpentry, Cleaning, Decking, Digital Freelancer, Drywall, Electrical, Fencing), and a blue 'Continue' button at the bottom.

Step 2: Add Your Client's Details

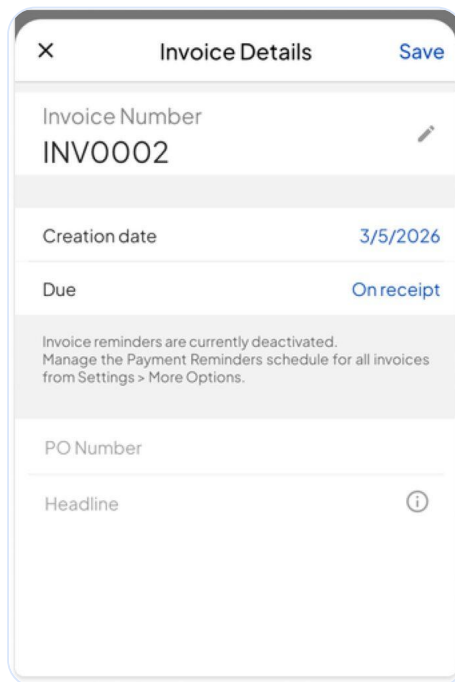
Enter your client's name and contact information. Make sure everything is accurate to avoid delivery or payment delays. Clear identification helps prevent confusion, especially when working with larger companies.



The first screenshot shows the 'Add client' screen with a header 'X Add client Save'. It has a 'Choose from contacts' button, followed by input fields for 'Sam', 'Email', 'Phone', and 'Address'. There is an 'Add Tag' button and a keyboard is visible at the bottom. The second screenshot shows the 'Preview' screen with a header '< Preview Save'. It displays 'INV0003' with an edit icon and a 'Due on receipt' button. Below is a 'Details' section with '3/5/2026'. The 'Client' section shows 'Bill to: Sam' with a close icon. The 'Items' section has an 'Add item' button. A summary table shows: Subtotal 0,00 €, Discount 0,00 €, IVA (21%) 0,00 €, and Total 0,00 €. A 'Notes' section at the bottom states 'Comments will appear at the bottom of your invoice'.

Step 3: Include the Invoice Date and Number

Add the date the invoice is issued and assign a unique invoice number. A consistent numbering system helps you track invoices and maintain organized financial records. Invoice Fly can automatically generate invoice numbers to keep things consistent.



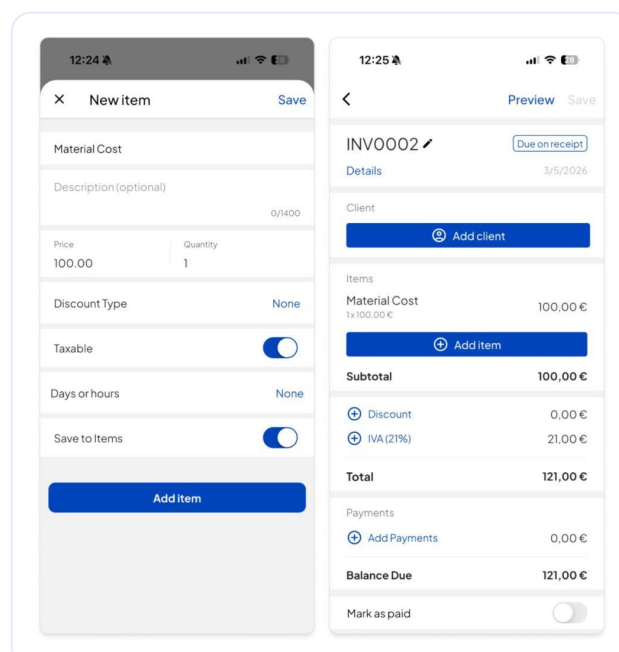
The screenshot shows the 'Invoice Details' screen in the Invoice Fly app. At the top, there is a close button (X) and a 'Save' button. The 'Invoice Number' field is filled with 'INV0002'. Below it, the 'Creation date' is '3/5/2026' and the 'Due' date is 'On receipt'. A note states: 'Invoice reminders are currently deactivated. Manage the Payment Reminders schedule for all invoices from Settings > More Options.' At the bottom, there are fields for 'PO Number' and 'Headline' with an information icon (i).

Step 4: List the Services or Products Provided

Add each service or product as a separate line item. Include:

- A clear description
- Quantity (if applicable)
- Unit price

Being specific reduces questions and speeds up approval. As you enter items, totals are calculated automatically.



The screenshot shows two side-by-side screens from the Invoice Fly app. The left screen is 'New item' and the right is 'Preview'.

New item screen: Fields include 'Material Cost', 'Description (optional)' (0/1400), 'Price' (100.00), 'Quantity' (1), 'Discount Type' (None), 'Taxable' (toggle on), 'Days or hours' (None), and 'Save to Items' (toggle on). An 'Add item' button is at the bottom.

Preview screen: Shows the invoice 'INV0002' with 'Due on receipt' and 'Details' for '3/5/2026'. It includes a 'Client' field with an 'Add client' button. The 'Items' section lists 'Material Cost' for 100.00 €. Below it is an 'Add item' button. The 'Subtotal' is 100.00 €. The 'Discount' is 0.00 €. The 'IVA (21%)' is 21.00 €. The 'Total' is 121.00 €. The 'Payments' section shows 'Add Payments' for 0.00 €. The 'Balance Due' is 121.00 €. There is a 'Mark as paid' toggle at the bottom.

Step 5: Add Taxes and Discounts

If applicable, include any required taxes such as sales tax or VAT. Discounts should also be clearly shown before calculating the final total.

Transparency builds trust and avoids disputes.

Items		Tax	
Material Cost	100,00 €		
1x100,00 €			
+ Add item			
Subtotal	100,00 €	Type	On the total
+ Discount	0,00 €	Label	IVA
+ IVA (21%)	21,00 €	Rate	21 %
Total	121,00 €		
Payments		Discount	
+ Add Payments	0,00 €	Type	None
Balance Due	121,00 €	Amount	0 €
Mark as paid	☐		

Step 6: Set Payment Terms

Specify:

- The due date
- Accepted payment methods
- Any late payment terms

Clear payment instructions make it easier for clients to process payment quickly.

Preview Save

+ Discount 0,00 €

+ IVA (21%) 21,00 €

Total 121,00 €

Payments

+ Add Payments 0,00 €

Balance Due 121,00 €

Mark as paid ☐

Card Payments ☐

Bank Account & Payment Info >

Add images & PDFs (0) >

Notes

Comments will appear at the bottom of your invoice

VISA

MasterCard

SEPA

ACH Transfer

Apple Pay

Google Pay

Klarna

Accept online payments

Accept credit cards & other popular payment methods with Invoice Fly using Stripe.

Stripe is a secure payment platform, trusted by over a million businesses all around the world.

✓ Make it easy for customers to pay

✓ Accept payments online or in-person

✓ Fast & easy setup

Important

1. Stripe's onboarding process **requires 15 min** & submitting documents.

2. The **first payout** can take up to 7-10 days to arrive to your account.

3. **Stripe fees depend on every country**, visit [Stripe's Pricing Page](#) for more information.

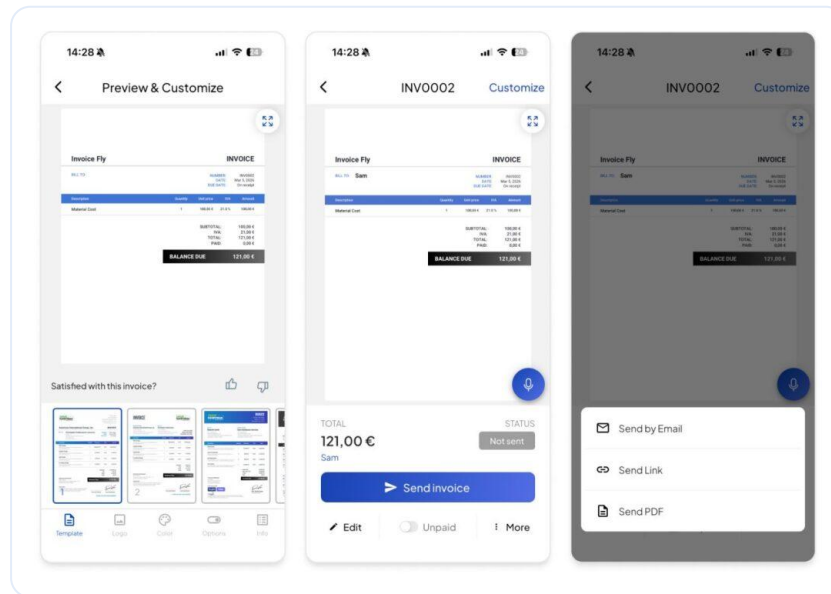
Connect with Stripe

9

invoicefly.com

Step 7: Review and Send

Before sending, review the invoice to ensure all information is correct and complete. You can download your invoice as a professional PDF or send it directly with Invoice Fly App.



2.2 Sending Invoices: Best Practices

Once your invoice is complete, the way you send it can impact how quickly you get paid. Follow these best practices:

1. Send the Invoice Immediately

Issue your invoice as soon as the work is completed or delivered. Delays in sending invoices often lead to delays in payment.

2. Double-Check All Details

Review totals, payment terms, and client information before sending. Small errors can create unnecessary back-and-forth.

3. Use a Clear Subject Line (If Emailing)

If sending by email, include the invoice number and due date in the subject line. For example: Invoice #104 – Due March 15

4. Include a Short Message

Add a brief, professional note thanking the client and reminding them of the payment terms.

5. Make Payment Easy

Clearly state how the client can pay. If online payments are enabled through Invoice Fly App, clients can pay directly to your account via stripe, paypal, etc.. add more.

6. Keep a Record of Sent Invoices

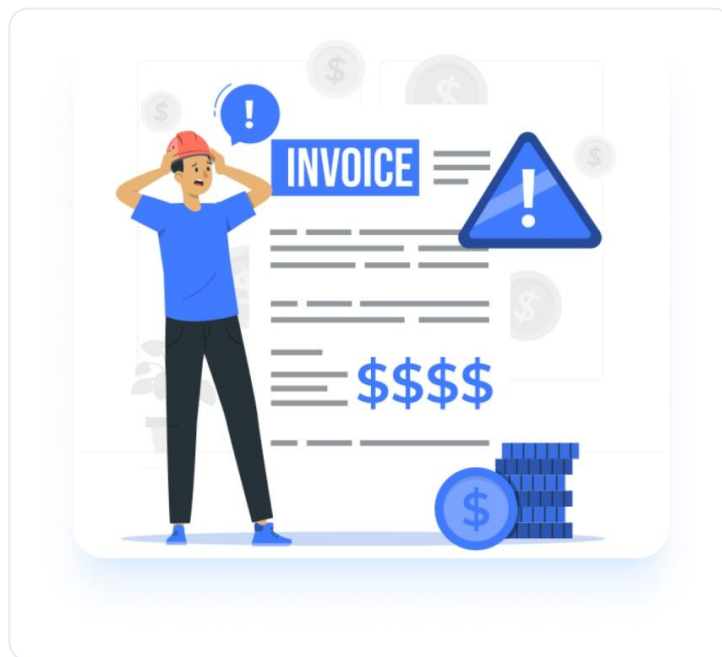
Always maintain a record of when invoices are sent. Invoice Fly allows you to track invoice status so you know which invoices are pending, paid, or overdue.

Common Invoicing Mistakes to Avoid

Understanding common invoicing mistakes is just as important as knowing how to create an invoice correctly.

Many payment delays are not caused by client resistance, but by small structural weaknesses in the invoicing process. Identifying and correcting these issues early strengthens your system and improves cash flow.

Below are the most common mistakes and why they matter.



3.1 Sending Invoices Late

Delaying the issuance of an invoice delays the entire payment cycle. When work is completed, the invoice should follow immediately. Prompt invoicing signals professionalism and sets expectations clearly.

Timeliness directly influences payment speed.

3.2 Incomplete or Incorrect Information

An invoice missing key details, such as a clear description, invoice number, or accurate totals – creates uncertainty.

Uncertainty slows approval. Every invoice should be complete, precise, and easy to understand at a glance.

Accuracy builds confidence.

3.3 Unclear Payment Terms

Payment terms define the rules of the transaction. If due dates, payment methods, or late conditions are vague, clients may delay payment simply due to ambiguity.

Clear terms reduce misunderstandings and establish accountability.

3.4 Overcomplicated Formatting

Invoices should prioritize clarity over design complexity. Excessive formatting, unnecessary sections, or cluttered layouts distract from the key information, especially the total amount due.

Professional invoices are structured, clean, and easy to scan.

3.5 Avoiding Professional Follow-Up

Following up on unpaid invoices is a standard business practice. When follow-ups are inconsistent or delayed, overdue balances accumulate.

A structured reminder process maintains professionalism while protecting cash flow.

3.6 Relying on Manual Processes as You Scale

Manual calculations and disconnected tracking systems may work initially, but they introduce risk over time. As invoice volume increases, the margin for error grows.

Structured systems reduce administrative friction and improve reliability.

Small inefficiencies compound.

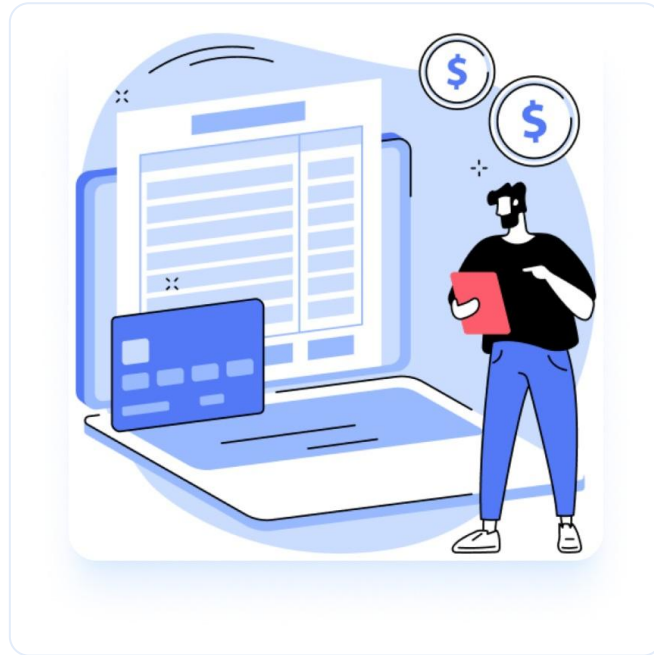
A refined invoicing process removes friction, strengthens relationships, and improves payment consistency.

The next chapter will focus on how payment terms themselves can shape cash flow outcomes.

Payment Terms & Cash Flow Strategy

Payment terms define when and how you get paid. Clear terms protect your cash flow, reduce confusion, and set professional expectations from the start.

Choosing the right payment structure depends on your type of work, client relationship, and project size.



4.1 Net 15 vs Net 30

“Net” terms specify how many days the client has to pay after the invoice date.

- **Net 15** – Payment due within 15 days
- **Net 30** – Payment due within 30 days

Net 15 improves cash flow and reduces waiting time. Net 30 is common for larger companies with longer internal approval processes.

Shorter terms generally mean faster payment. Choose terms that align with your business needs and industry standards. With Invoice Fly, you can set clear due dates directly on each invoice to avoid misunderstandings.

4.2 Deposits & Retainers

For larger projects, requesting a deposit helps reduce risk.

Common structures include:

- 25%–50% upfront before work begins
- Milestone-based payments
- Monthly retainers for ongoing services

Deposits ensure commitment from the client and help cover initial costs. You can create separate deposit invoices or milestone invoices within Invoice Fly to structure payments clearly.

4.3 Partial Payments

In some cases, clients may pay in installments. Partial payments allow flexibility while keeping work moving forward. When using structured invoicing, you can record partial payments and track remaining balances accurately.

Clear documentation helps prevent disputes and ensures both parties understand the outstanding amount.

4.4 Late Fees (When to Use Them)

Late fees can encourage timely payment, but they should be used carefully.

If you choose to apply late fees:

- Clearly state the policy in your payment terms
- Keep fees reasonable and compliant with local regulations
- Communicate professionally before applying penalties

Often, clear reminders are enough to prompt payment. Invoice Fly allows you to define payment terms and send reminders to help reduce overdue invoices.

4.5 Early Payment Incentives

Offering a small discount for early payment can improve cash flow.

For example: 2% discount if paid within 7 days

This can be especially useful for recurring clients. Early payment incentives should be clearly stated on the invoice so the client understands the benefit.

Strong payment terms create predictable cash flow.

Predictable cash flow creates stability.

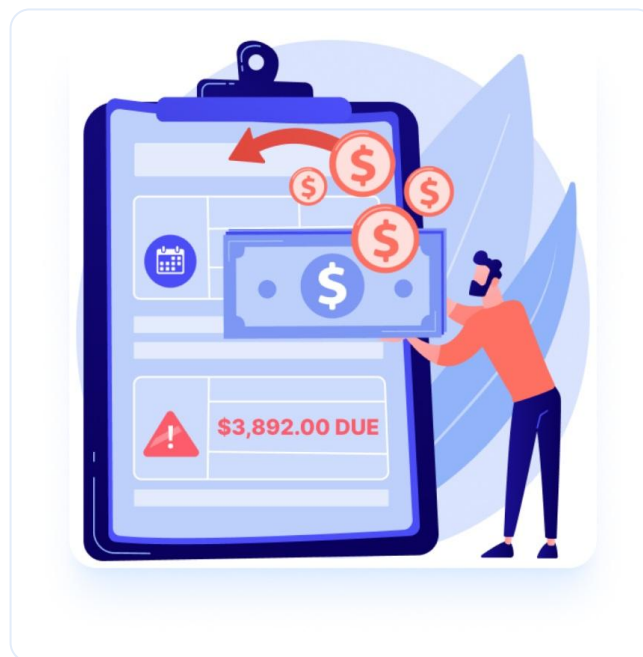
In the next chapter, we'll look at how to manage invoices after they're sent, including tracking payments and handling overdue accounts.

Handling Late Payments Professionally

Late payments happen. Even with clear payment terms and diligent invoicing, following up on a late invoice requires professionalism and clarity.

The best approach builds on a structured system while maintaining a professional tone that preserves the client relationship.

Here's how to handle overdue invoices confidently.



5.1 When to Follow Up

If payment has not been received by the due date, wait 1–3 business days before sending a reminder. This allows for minor processing delays. If the invoice remains unpaid, begin a clear follow-up sequence rather than sending repeated informal messages.

Invoice Fly shows you exactly which invoices are overdue.

5.2 3-Stage Follow-Up Framework

Friendly Reminder

Send a polite message shortly after the due date.

- Reference the invoice number and due date
- Confirm the amount due
- Ask if any additional information is needed

Second Reminder

If there is no response within 7–10 days:

- Restate the outstanding balance
- Ask for a clear payment update
- Reinforce the original payment terms

Remain professional and neutral in tone.

Final Notice

If the invoice remains unpaid after multiple attempts:

- Reference previous reminders
- State the total amount due
- Clearly outline next steps

At this stage, clarity is more important than tone.

Invoice Fly can automate reminder schedules, helping you maintain consistency without sending manual emails each time.

5.3 Example: Polite Payment Reminder

Subject: Invoice #1234 – Payment Reminder

Hi [Client Name],

I hope this message finds you well. I'm following up on Invoice #1234 issued on [Date], with a total of [Amount]. According to our records, payment was due on [Due Date] and we've not yet seen it come through.

If you've already sent payment, please disregard this message.

I'm happy to provide any additional information if needed.

Thank you for your prompt attention to this matter.

Best regards,

5.4 If the Client Doesn't Respond

If you receive no reply:

- Confirm the invoice was delivered successfully.
- Verify you are contacting the correct person.
- Consider a phone call for urgent matters.

Keep documentation of all communication.

5.5 When to Escalate

Escalation should be considered only after consistent follow-up.

You may escalate when:

- The invoice is significantly overdue
- The client has stopped responding
- The outstanding amount affects your operations

Before taking formal action, send a final written notice clearly stating the amount due and the deadline for payment.

Clear payment terms, structured reminders, and organized tracking reduce emotional friction. When your invoicing system is structured, follow-ups become routine rather than stressful.

Making Invoicing Faster with Invoice Fly

Invoicing isn't just about creating a document, it's about managing your billing process in a way that saves time, reduces errors, and helps you get paid faster.

Invoice Fly combines a fast invoice creation experience with tools that help you take control of the rest of your business workflow. The following features are designed to simplify key parts of invoicing and business management.

6.1 Create Invoices in Seconds

Invoice Fly's invoice maker gives you a clean, structured interface where you can build invoices quickly and accurately. Enter your business and client details, add items, apply taxes or discounts, and totals update automatically.

You can also choose from multiple invoice designs- from minimal and classic layouts to more modern or floral styles, allowing you to match your invoice to your brand and client expectations.

Whether you're working from a desktop or a phone, you can finish an invoice in moments and download it as a polished PDF or send it directly to your client.

Create invoices

▶ Watch the video

Customize invoices

▶ Watch the video

Send invoices · Get Paid

▶ Watch the video

6.2 Accept Payments Online

Getting paid should be as easy as sending the invoice.

Invoice Fly integrates with popular payment platforms like Stripe and PayPal, allowing your clients to pay securely online right from the invoice. This reduces delays and removes friction from the payment process.

Accepted payment methods include major cards and digital wallets, helping you collect funds quickly and securely.

6.3 Track Invoice Status

Instead of guessing whether an invoice has been viewed or paid, Invoice Fly gives you real-time updates on every invoice you send.

The dashboard shows which invoices are:

- Sent
- Viewed
- Paid
- Overdue

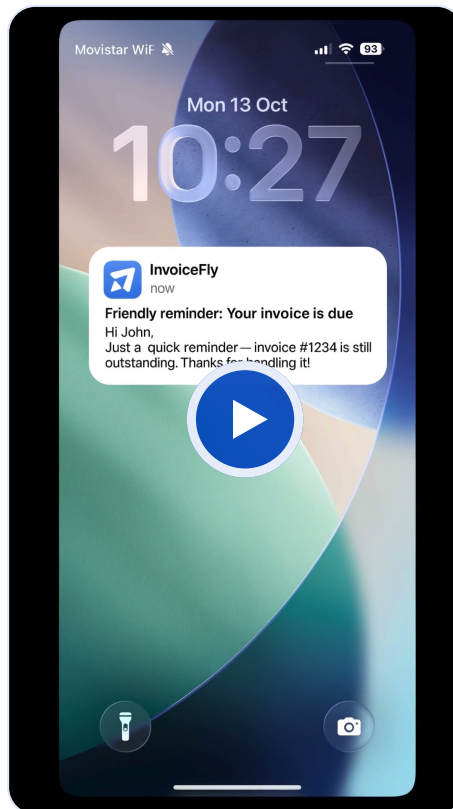
This visibility helps you plan follow-up actions confidently without digging through emails or spreadsheets.

6.4 Send Automatic Reminders

Following up on overdue payments doesn't have to be manual or awkward.

Invoice Fly allows you to set up automatic reminders that are sent on a schedule you choose, based on due dates. These reminders encourage payment without requiring you to write and send each message manually.

This feature keeps your workflow consistent and professional.



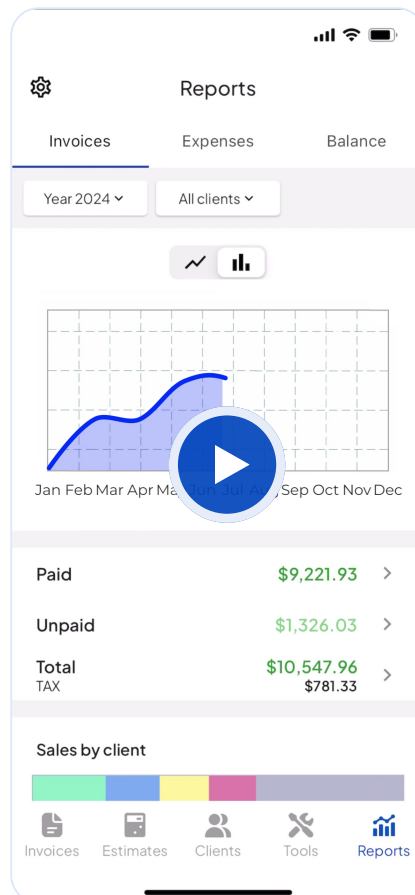
▶ [Watch the video](#)

6.5 Manage Clients & Generate Reports

As your business grows, staying organized becomes essential. Invoice Fly includes:

- A client hub where all contact details and history are stored.
- Tracking of invoices, estimates, and payments by client. Business reports that show revenue, outstanding balances, and trends.
- Time tracking and receipt scanning so you capture all billable work and expenses.

These tools help you understand your business performance and plan your next steps without extra software.



[▶ Watch the video](#)

Keeping Your Invoices Organized

At this point, you understand how to create invoices, structure payment terms, and follow up professionally.

Now the question becomes:

Is your invoicing reactive, or is it systematic? Professionals don't invoice randomly. They operate on a rhythm.

7.1 Centralized Records

As your client list grows, scattered records become a liability.

A predictable invoicing system means:

- Every invoice follows the same structure
- Every invoice number follows a clear pattern
- Every document is easy to retrieve



Organization isn't about perfection, it's about consistency.

When your records are centralized, decision-making becomes easier.

7.2 Tracking Revenue vs. Tracking Reality

There's a difference between:

"I've invoiced \$20,000 this month."

and

"I've collected \$20,000 this month."

Revenue on paper means nothing without collection.

A predictable system separates:

- Invoiced
- Paid
- Overdue

This visibility changes how you plan expenses, growth, and hiring.

7.3 Building the Habit Loop

Invoicing works best when it becomes automatic.

A simple rhythm:

1. Complete the work
2. Issue the invoice immediately
3. Monitor due dates
4. Follow up consistently

No emotion. No delay. Just process.

When this becomes routine, cash flow stabilizes.

7.4 Professional Invoicing Checklist

Before sending your invoice, confirm:

- ☐ Business and client details are accurate
- ☐ Invoice number is unique and consistent
- ☐ Issue date and due date are correct
- ☐ Services or products are clearly itemized
- ☐ Prices, taxes, and discounts are calculated correctly
- ☐ Total amount due is clearly visible
- ☐ Payment terms are defined
- ☐ Payment methods are included
- ☐ The invoice has been reviewed for errors

A complete invoice reduces back-and-forth and improves the chances of timely payment. If you invoice regularly, using a structured system like Invoice Fly helps ensure every invoice follows this checklist automatically.



Start invoicing like a pro

Create, send and track professional invoices in minutes — on web, iOS and Android.

invoicefly.com