11 Orders, invoices and payment

Orders

When an end-user makes an order they simply pay at the point of purchase. But in the business-to-business sector the following sequence is typical.

1 A customer makes an enquiry about a product and the price.
2 The supplier provides information and quotes/gives a price.
3 The customer makes/places an order. The order may be made by email, phone or fax, or may be made directly off/from a website.
4 The supplier confirms/acknowledges the order, processes it, and gives the customer a shipping date. Of course the goods may be out of stock, in which case there is a wait until they are in stock again.
5 The supplier ships the goods and issues (= produces + sends) an invoice.
6 A logistics company delivers the goods. Perhaps the customer has also tracked the shipment (= followed the progress of the goods) online.
7 On arrival, the customer checks the goods.
8 If the goods are in good condition, the customer pays the invoice. If they are damaged, there is a 'returns policy' for sending them back.

Note that 'ship' means send/dispatch by any means of transport, not just by ship.

Note that 'quote' and 'order' are used as both nouns and verbs:

Can you give me ***a quote****?*
Can you ***quote*** *me a price?*
I'd like to place ***an order*** *for 300 pieces.*
I'd like to ***order*** *300 pieces.*

Invoices

An invoice (or bill) is a document issued by a seller to a buyer. It requests payment for an order. A typical invoice contains:

- Date of the invoice and an invoice reference number.
- Name, contact details and tax details of the seller.
- Name and contact details of the buyer.
- Date that the products were shipped.
- Purchase order number (if the buyer has one which they want on the invoice).
- Description of the products.
- Unit price of the products.
- Total amount charged for the goods.
- Any extra amount for shipping (sometimes called 'postage and packing' for smaller items).
- Payment terms.

Note that 'charge' and 'invoice' are used as both nouns and verbs.

Is there ***a charge*** *for shipping?*
How much do you ***charge*** *for shipping?*
Have you sent ***the invoice****?*
Have you ***invoiced*** *them yet?*

Payment

The invoice contains the payment terms, and these are the conditions of payment. If the customer pays early, there is often a discount, and if they pay late, there is a penalty. The invoice also shows the tax paid to the government (called VAT – value added tax – in BrE).

The method of payment can vary. A first-time business-to-business customer will often have to arrange a 'letter of credit' at their bank (business people just say 'l/c'). With an l/c the customer's bank makes a guaranteed payment as soon as the seller's bank presents certain documents (transport documents, invoice, etc). If there is a long-term business relationship with more trust, the customer will usually have an 'open account'. Here the customer pays later, after the goods are received, according to the terms of the contract.

The seller may:
ask for/demand *payment* ***in advance/upfront***
ask for ***cash on delivery*** *(COD)*
ask for ***prompt payment*** *(within 14 days of delivery)*
ask for payment in 30/60/90 days ***from date of invoice***
send a ***reminder*** (= an email or letter telling the buyer they must pay)

The customer may:
arrange a ***bank transfer***
pay by ***monthly instalments***
delay *payment* (pay later than is planned)
defer *payment* (arrange officially to pay later)
settle *an account* (= pay everything that is owing)

If the customer is late in paying, the seller might say:
Your payment ***is due****.* (= it must be paid now)
Your payment ***was due*** *two weeks ago.*
Your payment is now ***overdue****.* (= it is late)



1 Read the text for general understanding.
2 Read it again and underline the words you don't know. Check their meaning.
3 Highlight words you know passively, but don't use actively. Choose some to write sentences of your own.
4 Check pronunciation at macmillandictionary.com

LIVEWORKSHEETS

11.1 Match verbs 1–8 with definitions a–h.

1 quote	a send/dispatch goods
2 ship	b ask sb to pay money for a service
3 issue	c follow the progress of sth
4 track	d say how much sth will cost
5 acknowledge	e take goods to a place
6 deliver	f say firmly that you want sth
7 charge	g officially give/send sth
8 demand	h tell sb you have received sth

11.2 Match nouns 1–8 with definitions a–h.

1 enquiry	a request for payment; bill
2 order	b amount of goods transported
3 goods	c question to get information
4 invoice	d conditions
5 shipment	e (formal) process of buying
6 purchase	f request for goods to be sent
7 terms	g punishment for breaking an agreement
8 penalty	h things produced for sale

11.3 Place the items in the list into the most likely sequence.

confirms the order *issues an invoice* *makes an enquiry*
quotes a price *sends a reminder* *tracks the shipment*

Customer **Supplier**

1 _____

places an order

2 _____

3 _____;
processes the order;
ships the goods;

4 _____

5 _____;
checks the goods on arrival; delays payment

6 _____

settles the account

11.4 One of the three phrases in italics does not exist or is not used. Cross it out.

1 I called them to make ~~*a charge*~~ */ a complaint / an enquiry.*
2 I asked them to give me *a quote / an enquiry / a price.*
3 Make sure that the *letter of credit / purchase order number / VAT* is clearly shown on the invoice.
4 The goods were *placed / shipped / dispatched* yesterday.
5 Our supplier has shipped the *bills / goods / products.*
6 They want us to pay 50% *in advance / upfront / up at the front.*
7 We paid the *bill / invoice / terms* on time.
8 Your payment is *due / overdue / overtime.*
9 Tell them we have cashflow problems and ask if we can *defer / delay / deliver* payment.
10 You have 30 days to *install / pay / settle* the invoice.

11.5 Complete this sequence of emails with the words in the boxes.

contact *deliver* *delivery* *enquiry* *order* *quote*

I clicked on your ad on the Building Products website and got directed to your site. I am interested in your high-security doors for commercial properties. Do you make these doors with non-standard dimensions? If so, can you give me a [1] _____? And can you also tell me how long it will take to [2] _____ them?

Thank you
Patrick Murphy

Dear Mr Murphy

Thank you for your [3] _____ sent from our website. Yes, we can make made-to-measure doors according to your specifications, but we require a minimum [4] _____ of ten doors.

The price will be the catalogue price plus 15%.
[5] _____ will be ten working days from a firm order.

Please feel free to [6] _____ me if you have any further questions.

Marie Berger
Sales Manager

attached *disregard* *invoice* *overdue* *records* *terms*

Dear Ms Berger

Following our phone call earlier today I can confirm that I want 20 security doors with the specifications given on the [7] _____ document.

I agree to the payment [8] _____ and delivery dates we discussed.

Patrick Murphy

a few weeks later ...

Dear Mr Murphy

I note from our [9] _____ that you have still not paid our invoice no. CMD6774 dated 12 March. The agreed terms were 30 days from date of [10] _____ and so this payment is now [11] _____.

Please arrange to transfer this money to our account as soon as possible.

If you have already paid this invoice, please [12] _____* this email.

Yours
Marie Berger

*ignore

See page 146 for some discussion topics.

LIVEWORKSHEETS