Managing AR Invoices

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Tracking an AR Invoice Through Its Lifecycle

In Pams, an AR Invoice records the amount a customer owes for products or services you have sold. You can open the invoice list from **Finance > Customers > Invoices**. You can also review a customer's invoices from that customer's record, where the invoice activity helps you see the full receivables history for the relationship.

An AR Invoice normally moves through these stages:

- **Draft** — You are preparing the invoice. You can still review and update the customer, invoice lines, dates, taxes, and payment details before confirming it.
- **Posted** — The invoice is confirmed as a receivable. Pams assigns the invoice number and records the amount due from the customer.
- **Awaiting Payment** — A payment has been registered or is being matched to the invoice, but the payment process is not yet fully completed.
- **Paid** — The full invoice amount has been matched with customer payment activity. No balance remains due.

[SCREENSHOT: Customer Invoices list showing Draft, Posted, Awaiting Payment, and Paid status indicators]

When reviewing the **Invoices** list, use the invoice type and customer details to make sure you are looking at the right document:

- A **customer invoice** is an AR Invoice issued to a customer for payment.
- A **credit note** reduces or reverses all or part of a customer invoice.
- A **Purchase Invoice** relates to an amount your company owes to a sub-supplier or other vendor. It belongs to the AP process, not customer receivables.
- A **Orders** confirms the commercial order but is not itself a payment request to the customer.

For daily receivables monitoring, pay close attention to **Status**, payment status, **Invoice Date**, and **Due Date**. The Invoice Date shows when the invoice was issued.

The Due Date shows when payment is expected. Compare these dates with the remaining balance to identify invoices that are unpaid, partially paid, or overdue.

Preparing Customer and Sales Information

Before you create an AR Invoice, confirm that the customer and sales details are ready. This prevents invoices from being sent with incomplete billing information, incorrect taxes, or payment terms that do not match the agreed commercial arrangement.

Start with the customer record. Check that the billing information is complete and suitable for the invoice document. In particular, review the available **Billing Address** fields, including street, city, country, state, zip-code, and destination details where used. Confirm the customer's **VAT ID Number** when it is required for tax or invoicing purposes. Also verify that the agreed **Payment Terms** and receivable account information are available for the customer before you begin the invoice.

Review the products or services you will add to the invoice. Each invoice line should have the correct sales information available so Pams can calculate the invoice total correctly.

Information to review	Why it matters on the invoice
Sales Price	Provides the starting price for the product or service line.
Tax (%)	Determines the tax amount included on the invoice.
Income account	Ensures the sales amount is recorded in the appropriate financial category.
Currency	Ensures the invoice is issued in the agreed customer currency.

If the invoice comes from a completed Orders, open the originating Orders before invoicing. Check the customer, order lines, quantities, prices, taxes, delivery details, and commercial notes. Where your process requires invoicing delivered quantities, compare the Orders with the related **Delivery Note**. Where your agreement allows invoicing ordered quantities, confirm that the order details are final and approved.

Finally, confirm the **Journal**, **Currency**, and **Payment Terms** that Pams will use for the customer invoice. These choices affect the payment due date, invoice presentation, and how the receivable is tracked after posting.

Creating and Reviewing a Customer Invoice

Create a new customer invoice from **Finance > Customers > Invoices**. Prepare all header details and invoice lines carefully while the document remains in **Draft**.

1. Click **New** from the **Invoices** list. Select the **Customer** in the invoice header. Pams uses this selection to bring in the customer's available billing details and payment information. Check the displayed billing address before continuing.
2. Set the **Invoice Date**. Enter the **Due Date** if you are setting a specific payment deadline, or select the appropriate **Payment Terms** when the due date should follow the customer's agreed terms. Review the selected **Journal** and **Currency** before you add invoice lines.
3. Add the items to the invoice. In **Invoice Lines**, select the product or service, enter the **Quantity**, and verify the **Unit Price**. Review the applied **Tax (%)** for each line. Pams calculates the line subtotal and invoice total from the quantity, price, and tax details.
4. Review the calculated amounts before saving. Check each line description, quantity, price, tax, subtotal, and the overall total. If the invoice is related to a Orders or Delivery Note, compare the invoice lines with the source document to confirm that nothing is missing or duplicated.
5. Check the customer details and payment information. Verify the customer name, billing address, payment terms, **Payment Reference**, invoice currency, and total amount. The Payment Reference is particularly important because it helps the customer identify the invoice when making payment.
6. Review the Finance information displayed on the invoice. Confirm that the customer receivable amount and sales amounts reflect what you intend to bill. Then click **Save** to keep the invoice in **Draft** while it is ready for final review.

[SCREENSHOT: Draft customer invoice showing Customer, Invoice Date, Due Date, Journal, Currency, Invoice Lines, Tax, and Total]

Do not post the invoice until the customer, pricing, taxes, and payment details have been checked against the Orders or Delivery Note.

Posting and Sending Invoices to Customers

After reviewing a Draft invoice, post it only when the invoice is complete and ready to become an official customer receivable. Posting confirms the amount due and gives the invoice its final invoice number.

1. Open the Draft invoice from **Finance > Customers > Invoices**. Check the **Customer**, **Invoice Date**, **Due Date**, **Journal**, **Currency**, **Payment Reference**, invoice lines, taxes, and total one final time.
2. Make any needed changes while the invoice is still in **Draft**. At this stage, you can correct the customer, billing details, invoice line quantities, unit prices, taxes, descriptions, and payment information. Save the updated invoice before posting.
3. Click **Post**. Pams validates the invoice and records the customer receivable and sales amount. The invoice changes from **Draft** to **Posted**, and the invoice number and posting details become available on the document.
4. Confirm the customer-facing information after posting. Check that the invoice number is correct, the posting date matches your intended issue date, and the **Payment Reference** is suitable for the customer to quote when paying the invoice.
5. Click **Send & Print** to generate the invoice document and send it using the configured delivery option. Review the document before sending, especially the customer name, billing address, invoice number, invoice date, due date, payment reference, currency, and total.

[SCREENSHOT: Approved invoice showing the Post status, invoice number, Payment Reference, and Send & Print action]

A Approved invoice should not be edited as though it were still a Draft. If you discover an error in the customer, quantity, price, tax, or amount after posting, create a credit note to correct the financial effect. If the customer still needs a correct invoice, issue a replacement invoice with the right details. This preserves a clear record of what was posted, credited, and reissued.

Recording Customer Payments and Following Up on Balances

When a customer pays an AR Invoice, record the payment against the Approved invoice so the outstanding receivable reflects the amount still due. You can begin from the individual invoice when you know which invoice the payment relates to.

1. Open the posted customer invoice from **Finance > Customers > Invoices**. Confirm the invoice number, customer, total amount, due date, and current payment status before registering the payment.

2. Click **Register Payment**. Enter the **Payment Date** that reflects when the payment was received. Select the correct payment **Journal** and **Payment Method**, then enter the amount received.
3. Compare the payment amount with the invoice balance. If the customer paid the full amount and the payment is matched to the invoice, the invoice moves from **Posted** or **Awaiting Payment** to **Paid**. Confirm that the remaining balance is zero.
4. For a partial payment, enter only the amount actually received. Pams keeps the invoice open with the unpaid balance remaining. Review the **Due Date** and remaining amount so you can follow up with the customer for the outstanding portion.
5. Return to the **Invoices** list to monitor receivables. Use available filters and the customer receivable view to find invoices that are unpaid, overdue, or partially paid. Sort or review invoices by **Due Date** when prioritizing collection activity.

[SCREENSHOT: Register Payment window showing Payment Date, Journal, Payment Method, and Amount]

An invoice marked **Awaiting Payment** indicates that payment activity has been registered but may still need to be matched fully. Do not treat it as fully collected until the invoice shows **Paid** and the balance is cleared.

For a wider view of one customer's outstanding balance, open the customer record and review its invoice activity. This helps you discuss the exact invoices, due dates, credit notes, and remaining amounts during payment follow-up.

For the complete incoming-payment workflow beyond the invoice screen, see Recording Incoming Payments.

Correcting Invoice and Payment Issues

Use the invoice history and payment details to resolve issues without losing the record of what was originally issued or received. The correct action depends on whether the issue is on the invoice, the payment, or the delivery of the invoice document.

1. If a Approved invoice has the wrong customer, quantity, unit price, or **Tax (%)**, create a credit note for the incorrect amount. Use the credit note to reduce or reverse the Approved invoice as required. If the customer still needs to be billed, create a replacement invoice with the correct customer and invoice lines.
2. If an invoice remains **Awaiting Payment**, open the invoice and review the registered payment information. Check whether the payment has been reconciled

with the related bank transaction. The invoice becomes **Paid** only when the payment is fully matched.

3. If an invoice shows an unexpected outstanding balance, compare the invoice total with all related payment activity. Review registered payments, credit notes, and payment matching entries. A partial payment, unmatched payment, or credit note can explain why the balance differs from the original invoice total.
4. If **Send & Print** does not deliver the invoice as expected, review the customer's **Email** address and confirm that the invoice document was generated. Then check the delivery option selected in **Send & Print** before trying again.
5. Use the invoice list to verify the result of your correction. Check the invoice number, status, payment status, invoice total, credited amount, paid amount, remaining balance, and due date. Keep the original invoice, credit note, and replacement invoice linked through the customer's invoice activity for a clear audit trail.

[SCREENSHOT: Customer invoice activity showing an original invoice, credit note, replacement invoice, and payment status]

Avoid deleting or informally replacing a Approved invoice. Credit notes and replacement invoices provide the clear financial history needed to explain adjustments to the customer and to reconcile receivables.

Overview

AR Invoices are the customer-facing financial documents used in the final part of the sales cycle. After a Orders is confirmed and the agreed products or services are ready to bill, you create an AR Invoice in **Finance > Customers > Invoices**. The invoice records the amount the customer owes, the agreed payment deadline, the applicable taxes, and the payment reference the customer can use when paying.

The AR Invoice workflow connects several visible Pams records:

- A **Orders** provides the commercial basis for what you are billing.
- A **Delivery Note** can support invoicing when your process bills delivered quantities.
- A customer **Invoice** requests payment and tracks the outstanding receivable.
- A **Payment** records the amount received from the customer.
- A **credit note** corrects or reduces a Approved invoice when the original bill was incorrect or needs adjustment.

The **Invoices** list is your operational view for monitoring customer receivables. Use it to identify Draft invoices waiting for review, Approved invoices that have been issued, invoices **Awaiting Payment**, and invoices that are fully **Paid**. The **Invoice Date** and **Due Date** help you distinguish recently issued invoices from amounts that require collection follow-up.

[SCREENSHOT: Finance > Customers > Invoices list with customer names, Invoice Date, Due Date, total amount, and payment status]

Use AR Invoices only for amounts owed by customers. Amounts your company owes to sub-suppliers belong in **Purchase Invoices** and are managed through the AP process. Principal-related billing follows the separate **Principal Invoices** workflow, while a **Commission Invoice** is used for commission earned according to the deal-specific agreement.

For the sales activities that normally lead to customer invoicing, see Confirming Orders and Creating Delivery Notes.

Prerequisites

Before creating or posting an AR Invoice, make sure the related customer and commercial information is complete. Missing billing details, incorrect taxes, or unconfirmed sales quantities can delay payment collection and create avoidable credit-note work.

Prepare the following information:

- A customer record with the correct customer name, **Billing Address**, **Email**, and **VAT ID Number** where required.
- Agreed **Payment Terms** or a confirmed **Due Date** for the invoice.
- The correct **Currency** for the customer agreement.
- Products or services with verified **Sales Price**, **Quantity**, **Unit Price**, and applicable **Tax (%)**.
- A confirmed Orders when the invoice is based on ordered quantities.
- A related Delivery Note when your process requires invoicing delivered quantities.
- The correct **Journal** for customer invoicing.
- A clear **Payment Reference** that the customer can use when making payment.
- Access to **Post**, **Send & Print**, and **Register Payment** actions according to your team's assigned permissions.

Before posting, compare the invoice against the source sales record. Check the customer, invoice lines, quantities, prices, taxes, currency, and total. If the invoice is based on a Orders, verify that the order has not been amended after the invoice details were prepared. If it is based on a Delivery Note, confirm that the delivered items and quantities match the lines you intend to bill.

Keep supporting documents available in the relevant sales record or invoice attachments, particularly where the customer requires a purchase order reference, delivery confirmation, or specific billing address. These documents make it easier to answer customer queries about an invoice after it has been sent.

After customer receivables are under control, continue with Managing AP Invoices to manage Purchase Invoices and amounts owed to sub-suppliers.