Case Study

Payment Verification for outstanding Invoice



Background: A client made a payment for an outstanding invoice, which was divided into two instalments. The payment was completed successfully, but there was confusion about how it had been processed and matched to the original bill. The issue arose when the payment was recorded, but the invoice wasn't opened or reviewed in detail to verify how the payment was split.

Objective: To demonstrate how reviewing historical bills and payment records can help ensure that all payments are properly matched to the corresponding invoices and avoid confusion in future transactions.

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Step 1: Identifying the Issue

The client reached out to clarify how the payment for the invoice had been processed. The confusion stemmed from not checking the invoice properly to confirm the two separate payments. The client was unsure if both instalments had been matched correctly in the system.

Problem:

- There was uncertainty regarding how the payment was processed.

The bill was not opened and reviewed to confirm if it had been paid in full and if payments were split correctly.

Step 2: Reviewing the Invoice

To resolve the issue, the first step was to retrieve and open the old invoice. Upon review, the following details were noted:

- **Total Amount Due:** $500
- **Instalments Paid:** Two payments of $250 each
  - **First Payment:** $250 paid on 01/10/2024
  - **Second Payment:** $250 paid on 01/20/2024

The invoice clearly stated the payment plan, showing that the client had agreed to pay in two separate instalments.

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Step 3: Verifying the Payments

The next step was to check the payment records for each instalment to ensure they matched the invoice:

- The payment system showed two distinct transactions, each for $250, on the relevant dates.
- Each payment was labelled clearly in the system, referencing the specific invoice from supplier.

By cross-referencing these transactions with the invoice, it was confirmed that both payments were received and recorded correctly.

Step 4: Resolving the Confusion

After verifying the payments and matching them to the invoice, it was clear that the client had made two payments, and both were applied correctly. The confusion arose from not opening and checking the invoice in detail earlier.

Solution:

- Open and review bills or invoices carefully to ensure that any split payments (multiple instalments) are matched and processed correctly.
- Cross verify previous invoice to have better idea
- Cross-check payment records to verify that all transactions are accounted for in the system.

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Conclusion

By taking the time to open the bill and carefully review the payment records, the confusion was resolved. The invoice from Supplier was paid in full over two instalments, and both payments were recorded correctly. Going forward, the client and the accounting team learned the importance of always reviewing invoices in detail to avoid overlooking payment splits.

This case study highlights the importance of paying attention to invoice details, especially when payments are made in multiple instalments. Ensuring transparency in the billing process prevents misunderstandings and helps maintain accurate records.

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Thank you

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