Meta Title: What are the different types of invoices?

Meta Description: We look at the different types of invoices, their features as well as their common use cases in this guide.

What are the different types of invoices?

As a business, you'll deal with different types of invoices as part of your day-to-day operations. In this quick guide, we outline nine common invoices and their use cases.

<h2>How many types of invoices are there?</h2>

Although invoices vary between businesses and industries there are nine main types of invoices. Namely:

1. Pro-forma invoice
2. Interim invoice
3. Standard/Final invoice
4. Recurring invoice
5. Past due invoice
6. Credit invoice
7. Debit invoice
8. Mixed invoice
9. Collective/ Consolidated invoice

<h2>What are the different types of invoices?</h2>

In this section, we go into detail about each type of invoice.

<h3>1. Pro-forma Invoice </h3>

While invoices are generally issued after the delivery of products and services, a pro-forma invoice is issued before any work is carried out. It's not an official request for payment but an estimate so a customer gets an idea of what everything will cost. Because the final amount can change, it's not counted as part of accounts receivables.

<h3>2. Interim invoice</h3>

This type of invoice splits the total amount payable by a customer into multiple, smaller payments. An interim invoice is ideal for a large project spanning several months. It unlocks cash flow to cover some of the costs of fulfilling the project and reduces the risk of non-payment.

<h3>3. Final (Standard) invoice</h3>

Also known as a standard invoice, this type of invoice is issued once all work has been completed or when all products have been delivered to a customer. It includes an itemised list of products or services, the total amount payable, and payment terms.

<h3>4. Recurring invoice</h3>

This type of invoice is issued on a recurring basis for products or services provided repeatedly. Recurring invoices bill customers the same amount periodically (weekly, monthly, or yearly, etc.). Due to their convenience, recurring invoices are typically used by service or subscription-based businesses.

<h3>5. Past due invoice</h3>

When a customer doesn't settle an invoice by the due date, a past-due invoice can be issued as a reminder. It also serves to outline any interest or late fees a customer has incurred for paying late.

<h3>6. Credit Invoice</h3>

A credit invoice is issued to adjust an existing invoice if changes or corrections need to be made, eg. when a customer returns products or when they receive a discount. It is also known as a credit memo and formally acknowledges that a business owes a customer money. Note: Credit invoices are always written as negative balances.

<h3>7. Debit invoice</h3>

A debit invoice or memo is issued to adjust an existing invoice if there's a change in how much a customer owes eg. when a customer has been under-billed for products and services. Note: Debit invoices are always written as positive balances

<h3>7. Commercial invoice</h3>

Commercial invoices are issued to request payment for products sold internationally. As such, they include extra details required for cross-border sales and customs duties.

<h3>8. Mixed invoice</h3>

This type of invoice combines credit and debit balances into one invoice consisting of either one final positive or negative total amount.

<h3>9. Collective/ Consolidated invoice</h3>

A collective invoice groups existing invoices together so a customer receives one consolidated invoice with a single grand total. This cuts down on admin and may lower transaction fees.

<h3>Wrapping up</h3>

These are just a few examples of the different types of invoices that exist. The specific types used by your business may depend on your industry, the type of products or services you provide, and other factors.