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Uniform sales invoices

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desired. Such a theory will, by its very nature, have the merit of being in more direct contact with modern economic life. Accountants possess the necessary facts.

Accountants are in a position to analyze them. Is this not a challenge that they shall produce their share of the results of research?

Uniform Sales Invoices

STANDARDIZATION has been one of the outstanding characteristics in the economic development of the United States. For the most part, however, this standardization has been confined to the field of production. Notwithstanding the fact that for nearly a decade there have been in existence uniform invoices of one kind or another, a glance at a day's receipt of invoices in many of our business concerns today would indicate that there is still considerable room for improvement in the use of standardized forms.

John Smith may render his bill for electrical supplies on a white invoice, seven inches wide and very long. Bill Jones may send his bill for repairs on a green invoice, six inches wide and four inches deep, ruled with red lines, and ornamented with fancy lettering. The A. B. Machinery Company will have an invoice, of odd size and extremely heavy paper, with pictures of its factories all around the border. William Wong, the laundryman, renders his bill on a small scrap of brown paper, the writing on which is made up of Chinese characters, so that only the amount is legible to the average person. Not only is there dissimilarity in the size and form of invoices, but there also is considerable lack of uniformity in the arrangement of the items. Customer's order number may be on the left side just below the address in one instance and in another it may be located in the upper right-hand corner. Add to this the partial obliteration caused by the purchaser's rubber stamp or rider and it practically is inevitable that the handling of invoices should result in some confusion.

In some organizations hundreds of invoices are received in a day, including many of different sizes, with differences in arrangement and wording, and diversity of appearance, with the result that the concern is almost precluded from dealing with such invoices in any systematic manner. The excessive time and effort necessary to check, audit, approve, file, etc., such invoices may be considered an economic waste. Various estimates have been made as to the amount of saving that could be effected with the use of standardized invoice forms. Suffice it to say that there is considerable opportunity to cut down the expenses attendant upon the handling of sales invoices.

With this in view conferences were held under the sponsorship of the National Association of Purchasing Agents, for the purpose of standardizing the sales invoice form. Efforts began in 1919 and in 1921 the national standard invoice was adopted and recommended for use by several trade associations. In January, 1925, the Division of Simplified Practice of the Department of Commerce endorsed the national standard invoice form and presented it to all branches of industry and commerce as a means of eliminating waste in office procedure. The principal features of this invoice form were the standardization in the size of the form and the uniformity in the arrangement of the information to be placed thereon. The information for the vendor and customer was grouped so conveniently as to eliminate the necessity for either a rubber stamp or an invoice rider.

The problem of combating the heter-

ogeneity in style of invoices also was attacked from another angle. Inasmuch as in the last analysis invoices are intended primarily for the use of the customer, certain large corporations, especially railroads, printed and furnished the forms, known as

it be adopted generally. The chief difference between the national standard invoice and the uniform invoice was that, while the former was designed for unit billing, the latter was prepared for multiple billing. In this way all shipments for a

SIMPLIFIED INVOICE		FOR CUSTOMER'S USE ONLY	
[YOUR Name, Address and Trademark Go Here]		REGISTER NO.	VOUCHER NO.
CUSTOMER'S ORDER NO. & DATE	REFER TO INVOICE NO.	F. O. B. CHECKED	
REQUISITION NO.	INVOICE DATE	TERMS APPROVED	PRICE APPROVED
CONTRACT NO.	VENDOR'S NOS.	CALCULATIONS CHECKED	
SOLD TO		TRANSPORTATION	
SHIPPED TO AND DESTINATION		FREIGHT BILL NO.	AMOUNT
DATE SHIPPED	FROM	MATERIAL RECEIVED	
CAR INITIALS AND NO.	F. O. B.	DATE	SIGNATURE
HOW SHIPPED AND ROUTE	PREPAID OR COLLECT?	SATISFACTORY AND APPROVED	
TERMS		ADJUSTMENTS	
		ACCOUNTING DISTRIBUTION	
		AUDITED	FINAL APPROVAL
QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT

NOTE: In case of multiple billing, provide column here for order numbers. If not so used, this space may be added to the width of the other columns.

Facsimile of Simplified Invoice Form

Endorsed by the Division of Simplified Practice, Department of Commerce, Washington, D. C., after the unanimous agreement of Committees representing both National Standard and Uniform Invoice Forms, February 16, 1927. Users of either Standard or Uniform Invoice Forms are requested to adopt the Simplified Invoice Form when the supply of their present forms is exhausted.

NOTE: To Conform to Standard.

"Customer's Use" block must be exactly as shown.
Designations must all be shown.
Sequence and position of designations must be as shown.
Sizes—8 3/4" from side to side.
11" } from top to bottom.
14" }

Optional for User's Convenience.

Size and arrangement of space for vendor's name, address, trade mark, etc., may be changed as desired.
Spacing both horizontal and vertical, to left of "Customer's Use" block, may be changed as desired.
"Shipped To and Destination" may be arranged for window envelope.
"Quantity", "Description", "Price" and "Amount" columns may be subdivided as desired.
Invoices to retailers should provide a column 3/8" wide to the right of the "Amount" column and headed "For Retailer's Use."

"customer invoices," which were to be used in rendering bills against them. Although this procedure still is used by a few governments and institutions, should the practice become widespread, it would become a nuisance to vendors.

The national standard invoice encountered competition when in 1925, as the result of many months of study, the Ford Motor Company brought forth an invoice, called the uniform invoice, and urged that

single day, regardless of their order number, would be listed on a single invoice, thus reducing the number of papers to be handled by both the shipper and customer. It also had a slight advantage in the further simplification in the arrangement of the vendor's and customer's information. This invoice became quite widely used in a comparatively short length of time.

The resulting situation was that at the beginning of the present year there were

two uniform sales invoices competing with each other, the national standard invoice and the uniform invoice. Since both invoices were being advocated with the same objective in view, it seemed desirable to unite forces in the support of a single invoice. For this purpose a conference was held in Washington on February 16, 1927, with representatives of both the national standard and the uniform invoice present, which resulted in the adoption of the simplified invoice shown on page 91.

The simplified invoice combines the advantages of both its predecessors. It is a two-zone invoice, that is, all the items to be filled in by the shipper are conveniently grouped in a single zone and all the information for the customer's use is concentrated in a customer's zone in the upper right-hand corner. The invoice is designed to meet the requirements of both unit and multiple billing. Those concerns employing multiple billing will provide a column on the left for order numbers. In the case of unit billing, this space may be added to the width of the other columns. The shipper's zone is arranged so that window envelopes may be used. The invoice is designed to be 8½ inches wide and 7, 11, or 14 inches long. In this way it may be cut from standard-sized stock without waste of paper.

The benefits from the use of the simplified invoice are such that the more the invoice is used, the greater will be the saving. Savings by way of reduced costs will accrue to both vendors and purchasers. The very fact that each item has the same location on every invoice is an aid in checking, let alone the fact that the information is grouped in a convenient manner. There would be a saving of time in filing, finding, and handling of invoices while being checked, which also would result in a saving of salaries in clerical personnel. There would be a saving of filing equipment through uniformity of size. On the as-

sumption that all necessary information is included on the form itself, correspondence would be reduced to a minimum. The possibilities of misunderstandings and inconveniences arising also would be less. It might even be said that the volume of litigation which is so prevalent today would be lessened materially, if all concerns used the simplified invoice.

There will be additional advantages for those concerns which bill several orders on a single invoice rather than to use a separate invoice for each purchase order. Multiple billing brings about a saving in paper through a reduction in the number of invoices and the corresponding duplicates and carbons; a saving in the cost of typing, including wear and tear on the typewriter; and a saving in postage. To the purchaser it means less time for examining, sorting, checking, and posting and also a saving in filing equipment.

The adoption of the simplified invoice will not be without disadvantages. Individual concerns will have to make slight sacrifices here and there to adopt the invoice in its entirety. However, the advantages to industry as a whole should exceed greatly any individual handicaps.

The adoption of the uniform sales invoice is a move in the right direction. But standardization, unless properly controlled, may hinder rather than aid progress. For this reason it has been decided to review the situation at the end of two years to see if any further changes need to be made in the simplified invoice.

The uniform bill of lading was the first major step in the standardization of forms. Standardization of the sales invoice is fully as important. Other forms for which efforts toward standardization have been made are the purchase order and purchase inquiry form. As long as standardized forms mean increased efficiency and lower costs, everything possible should be done to hasten their adoption.