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What is Recurring Billing by [James Blee](#)

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Recurring billing is a special form of billing that occurs periodically after certain specified intervals. A simple example is the payroll system for the salaried professionals or the monthly retainers.

A good number of professional service firms in the field of accounting, high tech consulting and legal etc provide a distinctive scope of services that associates a lot more . The clients of such organizations often requires a large variety of billing structures including pro rating, cost plus, split and milestone billing.

Now, all these types bring a lot of complex accountability requirements with them. Now, the organizations needs some way of getting a fair view of the financial standing and tailor the billing procedure accordingly with special focus on the project and client needs. Recurring billing makes managing several complex processes like proration and split billing much simpler to accomplish and this is why it is being utilized in a large number of business organizations of late.

The recurring billing concept was coined based on the traditional time and billing systems with a few technical upgrades to make transaction easier and time effective as well. The rule employed is to divide a project into a fixed or variable number of intervals and pay the client once after the completion of every single interval. Each of such intervals has a particular date, fixed states and rates based on which the amount payable is calculated and payments are made accordingly.

What this rule of dividing a transaction into interval does is that it helps in effective clearing of dues without needing to create multiple time entries for the users. For instance, for people having a certain monthly flat rate, clients will be automatically charged, without needing to make any time entries or going through invoicing procedures.

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