

## Accounts Receivable and Accounts Payable Reporting and Analysis

Companies track Accounts Receivable (A/R) and Payable (A/P) to manage operating cash flow. Basic A/R and A/P reports includes tracking the value of accounts that are 30, 60, or 90 days past due, monitoring distribution of receivables across customers, and reviewing payment trends for vendors across periods. More sophisticated analysis includes predicting potential bad debts, forecasting cash outlays, and tracking invoices and journal entries to the corresponding accounting representative. Businesses adding business intelligence to their A/P and A/R functions are benefitting from more efficient cash management.

### Sample Report: Accounts Receivable Summary for Selected Organizations

Customer	Payment History	INVOICE ID	TOTAL AR	Paid Last 90 days	30 Days	31 to 60 Days	60 to 90 Days	90 to 180 Days
Party Supply Company	Good	<a href="#">14567</a>	\$9,342	\$3,114		\$3,114		\$6,228
		<a href="#">12765</a>	\$0	\$9,000				
		<a href="#">18222</a>	\$7,626	\$7,625	\$3,813	\$3,813		
Parts Manufacturer	Fair		\$16,968	\$19,739	\$3,813	\$6,927	\$0	\$6,228
		<a href="#">57990</a>	\$70,250					\$70,250
		<a href="#">70002</a>	\$35,886					\$35,886
		<a href="#">71225</a>	\$9,899			\$9,899		
			\$116,035	\$0	\$9,899	\$0	\$106,136	
		\$133,003	\$19,739	\$3,813	\$16,826	\$0	\$112,364	

[Link to detailed invoice payment report](#)

This summary report links invoice detail, A/R aging, and customer payment history. The report contains links to the invoice detail providing access to invoiced items, purchase order number and approver name. The payment history field is based on the organization's definitions for payment scoring and is calculated based on historic payment patterns. As a next step, users can navigate to reports showing all receivables more than 90 days old, receivables greater than a certain dollar amount or trends in certain geographies or industries.

### Key Performance Indicators

Sales Outstanding  
 Amount Outstanding  
 Predicted Bad Debt  
 Change in Working Capital  
 Least Desirable Customers  
 Most Valuable Customers  
 Vendors with Discount Potential  
 Aging Distribution  
 A/R Turnover Ratio

### COMMON BUSINESS QUESTIONS

- What is the aging distribution of accounts receivable?
- What is the total amount of money in collections?
- Which are my poor-payment history customers by dollar amount and/or invoice quantity?
- Which sales representatives need to be notified to assist in the collection process?
- What is our predicted bad debt?
- What is the aging distribution of our accounts payable?
- To which vendors does each business unit owe money? When do they need to pay?
- With which vendors do we do the highest volume of business?
- What is the forecasted impact on working capital?