Turn Receivables into a Cash Collection Plan

Cash Flow & Treasury | Foundation | 45 minutes (estimate) | Invoices, terms and basic date arithmetic

Worked numerical schedule

Measure	Value	Unit
A net AR	5,000.00	USD
B net AR	3,500.00	USD
A days past due	20.00	days
B days past due	5.00	days
C days past due	0.00	days
D days past due	46.00	days
E days past due	0.00	days
Current AR for supplied due dates	4,000.00	USD
1-30 days overdue for supplied due dates	8,500.00	USD
31-60 days overdue for supplied due dates	2,000.00	USD
Total net AR	14,500.00	USD
Expected collections 1-7 October	4,000.00	USD
Expected collections 8-14 October	3,500.00	USD
Expected collections 15-21 October	5,000.00	USD
AR outside committed plan	2,000.00	USD
Aging reconciliation	0.00	USD

Interpretation and recommended actions

Net AR is 14,500: current 4,000, 1-30 days overdue 8,500 and 31-60 days 2,000. Expected weekly collections are 4,000 / 3,500 / 5,000; 2,000 disputed remains outside the committed plan. Prioritize confirming A's split promise and resolving D's dispute with the account owner. Do not write off D or assign a receipt date merely because it is old. Promises are assumptions requiring follow-up.

Scoring rubric - 100 points

Dimension	Points	Awarding guidance
Calculation	40	Invoice aging 15; net AR and bucket totals 10; weekly collections 15.
Interpretation	25	Correct application of the case rules 10; explain the business decision 10; identify evidence or limitations 5.
Controls / audit trail	20	Traceable formulas 8; independent reconciliation 8; explicit units and signs 4.
Communication	15	Decision and numerical headline 5; actions with owners and evidence 5; concise response covering all required deliverables 5.

Award method credit after an isolated arithmetic error rather than repeatedly deducting for it. Equivalent account labels and well-supported alternative recommendations are acceptable. Numerical tolerance is 0.01 in the stated units; no universal passing score is prescribed.

Common mistakes

Aging gross B before its credit; calling E overdue on its due date; putting D in week one solely because it is oldest.

Staged hints

Net the credit first. Compare each due date to 30 September. Reconcile committed receipts plus unresolved AR to net AR.

Instructor notes

Prerequisites: Invoices, terms and basic date arithmetic. Suggested use of the estimated 45 minutes: spend roughly 15% on the lesson and smaller example, 55% on the independent task, 20% on comparing approaches and 10% on the decision discussion. Timing is untested. Ask learners to explain why the numerical check is necessary but not sufficient.

For a simpler class, provide the model structure and work through one driver. For an extension, change one operational assumption and require a new reconciliation and recommendation. Verify the new key before distributing any variant. Open files in the intended spreadsheet application before class. Solutions are learning resources, not secure hiring examinations. Expert review remains pending.