Turn Receivables into a Cash Collection Plan

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

Learning outcomes

Turn aging into a collection plan without treating disputed invoices as cash. Calculate the result, reconcile it and communicate its limitations.

Method

Days past due = max(as-of date minus due date, 0). An invoice due today is current under this case convention. Apply valid credit notes before aging. A collection plan combines aging with dispute status and specific customer commitments; age alone does not guarantee payment.

Smaller worked example

At 30 September, a $1,000 invoice due 20 September is 10 days overdue. A valid $200 credit reduces collectible AR to $800. A promise for 10 October belongs in a future weekly collection bucket.

Business context and rules

Fictional Maple Consulting, as of 30 September 2026. A: gross 5,000, due 10 Sep; B: gross 4,000, due 25 Sep, valid credit 500; C: 3,000 due 10 Oct; D: 2,000 due 15 Aug and fully disputed; E: 1,000 due 30 Sep. Collections: A promises 3,000 in 1-7 Oct and 2,000 in 15-21 Oct; B promises net amount in 8-14 Oct; C promises full amount in 15-21 Oct; E promises full amount in 1-7 Oct; D has no committed date. No other credits, receipts or invoices. Dates are represented by Excel date serials in Inputs and formatted as dates in the workbook.

Original synthetic inputs

Input	Value	Unit
As-of date: 30 September 2026	46295	Excel date
Invoice A gross	5000	USD
A due: 10 September 2026	46275	Excel date
Invoice B gross	4000	USD
B due: 25 September 2026	46290	Excel date
B credit note	500	USD
Invoice C gross	3000	USD
C due: 10 October 2026	46305	Excel date
Invoice D disputed	2000	USD
D due: 15 August 2026	46249	Excel date
Invoice E gross	1000	USD
E due: 30 September 2026	46295	Excel date
A week 1 promise	3000	USD

Required deliverables

Produce invoice-level aging, a weekly collection plan and an exception log. The supplied aggregate bucket formulas are specific to these due dates; replace them with conditional aging formulas if changing dates. Assign the disputed invoice to an owner and state evidence required before forecasting its cash.

Use formulas for derived amounts and preserve source data. Put narrative deliverables in the workbook response area; expand it as needed. Compare amounts within 0.01 of the stated unit and percentages within 0.1 percentage point. No unsupported balancing plugs.