

Money Owed

The Suncorp Money Owed Widget displays a historical view of how much money you owe at month's end (for the last 12 months).

About this Widget

This Widget is designed to help your business keep track of your creditors and the amount of tax owed, although the time taken to pay creditors is not taken into account.

It can help you:

- ✓ Know if there is sufficient cash available to settle your creditor and tax obligations.
- ✓ Monitor when large receivables/payables are due.
- ✓ Ensure that you're in a position to cover large creditor balances with cash-convertible assets.

Data essentials

For an accurate view of your Money Owed, your Accounts Payables need to equal your invoices still to be paid, and GST on your sales and purchase transactions needs to be calculated correctly.

Making the most of your Widget

- ✓ Ensure all your payables information is kept up to date and free from errors.
- ✓ Monitor your invoices created and sent to ensure outstanding invoices haven't exceeded your payment terms.
- ✓ Ensure your Accounts Payable data is correctly entered in your software application so you have an accurate view of the cash required to settle current debts.

- ✓ Ensure that GST is correctly set up for all your account types and transactions.
- ✓ Reconcile GST balances monthly, 2 monthly or 6 monthly depending on the GST period.

Tips to address a negative trend

1. Consider increasing your payment terms

- ✓ Consider negotiating an increase in payment terms with large suppliers to improve cash flow and ensure that any short-term obligations are more easily met. When you're negotiating, consider also making an enquiry with other suppliers that offer similar products.
- ✓ Negotiate terms with suppliers so that your sales invoice terms equal your payment terms, allowing you to cover payables with your receivables.

2. Review your operating expenses and assets to reduce payables

- ✓ Consider removing the least profitable products and services from your offering, focusing more on lines that produce a better return.
- ✓ Consider selling assets that aren't generating adequate returns or sufficient revenue.
- ✓ Use interest-bearing accounts for large cash balances rather than day-to-day cheque accounts.
- ✓ Analyse expenditure that's not directly related to revenue and look to reduce inefficient operating costs. Aligning your expenditure with the business functions that are generating the greatest return should help increase your sales and cash flow.
- ✓ If needed, finance large asset purchases with long-term debt that offers more favourable interest rates/repayments.

Troubleshooting

Accounts Payable ledgers can often contain errors due to information being outdated, or because they contain duplicate invoices or invoices that aren't yet due.

Corrective action

You can correct your Accounts Payable ledger by allocating credit notes to invoices or deleting invoices that aren't correct. Corrections to GST can be done through GST reconciliations, or by manually checking transactions from the GST report.

Xero users can search for:

- Specific corrective actions [here](#)
- Coding errors [here](#)
- How to correct a GST error [here](#)
- Accounts Payable corrections [here](#)

Quickbooks users can search for:

- Specific corrective actions [here](#)
- Accounts Payable errors [here](#)
- How to correct a GST error [here](#)

