

Money Owing

The Suncorp Money Owing Widget displays the total amount owing from your outstanding invoices, as well as a list of your top six debtors.

About this Widget

This Widget is designed to help your business keep track of your six largest debtors and monitor the time taken to receive payment. It can help you:

- ✓ Identify overdue payments and whether any customers are not meeting your agreed payment terms.
- ✓ Plan for cash flow issues throughout the year and identify which periods may require finance or cash injections.
- ✓ Gain a valuable insight into your business' most important customers and their ability to repay their debt obligations at specific times of the year. If issues do arise, you may need to seek advice on managing late paying customers and implementing mutually agreeable payment terms.

Data essentials

For an accurate view of your Money Owing, your Accounts Receivables need to equal your invoices sent or created, and your Accounts Receivable ledgers need to be free from any errors (i.e. not contain any negative values).

Making the most of your Widget

- ✓ Ensure your receivables information is kept up to date and free from errors (no negative values).

- ✓ Monitor your invoices created and sent to ensure outstanding invoices haven't exceeded your payment terms.
- ✓ Ensure your Accounts Receivable data is correctly entered in your software application so you have an accurate view of sales made on credit.

Tips to address a negative trend

1. Consider reducing your payment terms (for example, from 30 days to 20 days)

- ✓ Clearly communicate your payment terms and encourage adherence to the new timeframe.
- ✓ Be persistent when chasing up non-paying customers with timely reminders.
- ✓ Consider offering a discount to customers who pay earlier than the defined payment terms (discounts should relate to the cost of finance/short-term loan interest rates).
- ✓ Consider offering reduced payment terms and/or charging interest on consistent late paying customers.
- ✓ Net off sales and purchases on credit with the same customer/supplier.

2. Review your operating expenses and assets to increase receivables

- ✓ 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.

3. Review your prices

- ✔ Increasing your prices is the fastest and most effective way to increase profits if volume is sustained. However, price increases require careful consideration of inflation, seasonal sales factors, competitive aspects, and basic supply and demand for your products and services.
- ✔ Identifying your high volume products/ services and marginally increasing prices may have a positive impact on profit. Alternatively, marginally decreasing prices on low volume/high margin products may increase your sales volumes.

Troubleshooting

Accounts Receivable 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 Receivable ledger by allocating credit notes to invoices or deleting invoices that aren't correct.

Xero users can search for:

- ✔ Specific corrective actions [here](#)
- ✔ Coding errors [here](#)
- ✔ How to view and edit your sales invoices [here](#)
- ✔ How to allocate credit notes to invoices [here](#)

QuikBooks users can search for:

- ✔ Specific corrective actions [here](#)
- ✔ Reconciliation errors and balance variations [here](#)
- ✔ Accounts Receivable errors [here](#)

