Turn Receivables into a Cash Collection Plan

Cash Flow & Treasury | Foundation | 45 minutes (estimate)

Invoice aging - USD

Invoice	Net AR	Due date	Days overdue
A	5,000.00	10 Sep 2026	20
B	3,500.00	25 Sep 2026	5
C	3,000.00	10 Oct 2026	0
D	2,000.00	15 Aug 2026	46
E	1,000.00	30 Sep 2026	0

Collection calendar - USD

Invoice	1-7 Oct	8-14 Oct	15-21 Oct	Outside plan
A	3,000.00	0.00	2,000.00	0.00
B	0.00	3,500.00	0.00	0.00
C	0.00	0.00	3,000.00	0.00
D	0.00	0.00	0.00	2,000.00
E	1,000.00	0.00	0.00	0.00
Total	4,000.00	3,500.00	5,000.00	2,000.00

Aging summary - USD

Bucket	Amount
Current	4,000.00
1–30 days	8,500.00
31–60 days	2,000.00
Over 60 days	0.00
Aging reconciliation	0.00

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. The total duration of 45 minutes is a planning estimate, not a tested completion time. Allocate class time according to prior knowledge and reserve time for discussion of the decision and evidence.

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.

Decision

Confirm the promised collections and resolve invoice D with the account owner; keep disputed cash outside the committed plan.

Evidence and reasoning

Aging measures lateness, not the probability or date of collection. A credit note reduces the collectible balance, while a dispute requires evidence rather than an assumed write-off.

What would change the conclusion

A revised customer promise, approved credit or resolved dispute changes the collection calendar. Date changes must also recalculate the aging buckets.