

Days To Pay

The Suncorp Days to Pay Widget shows the average number of days it takes for you to make a payment and the average number of days it takes for your customers to make a payment to you. This Widget is powered by your Accounting software.

About this Widget

Tracking the days to make and receive payments can help you plan and identify how long it takes to convert your sales into cash and to convert credit into cash payments. Monitoring this Widget can help ensure that cash is received and paid within the required payment terms and that cash flow issues are identified and corrected.

Data essentials

This Widget relies on the accuracy of the Accounts Payable and Receivable data from your accounting software.

Making the most of your Widget

- ✓ Ensure that your payables information is up-to-date and free from errors in your accounting software
- ✓ Invoices received should be monitored so there are no outstanding invoices past the date stated in your customer payment terms

Tips to address a negative trend

Increase the cash position and coverage ratio

- ✓ Consider reducing your payment terms. For example, moving from 30 days to 20 days may help improve profit and financial stability
- ✓ Explicitly communicate payment terms to convert sales on credit into cash
- ✓ Follow up with non-paying customers to increase collection rates
- ✓ Encourage customers to pay early by using a discount structure
- ✓ Discourage customers from paying late by introducing interest payments for overdue accounts
- ✓ Net off sales and purchases on credit with the same customer/supplier

Increase payment terms with suppliers

- ✓ Increase payment terms with large suppliers to help improve cash flow and ensure that short term obligations are more easily met
- ✓ Negotiate with suppliers to ensure that your sales invoice terms equal your payment terms, so you can cover payables with your receivables

Review operating expenses and assets

- ✓ Review your products and services to assess their profitability and consider rationalising your offering
- ✓ Focus on other product or service lines that deliver a greater return
- ✓ Identify and sell off assets that aren't generating sufficient revenue for your business
- ✓ Use higher interest bank accounts instead of day-to-day accounts for large cash balances

Troubleshooting

The most common problems are due to Accounts Payable or Receivable ledger information being outdated or containing duplicate invoices or invoices that are not due. Corrections must be done through the Accounts Payable ledger by allocating credit notes to invoices or deleting invoices that are incorrect.

Corrective action

Quickbooks users can search for:

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

