

# How to complete a Accounts Receivable Aging Report in California

Color-coded aging buckets (Current, 1-30, 31-60, 61-90, 91-120) with per-customer totals and grand totals.

## What this form is for

Banks and underwriters require this report to assess how quickly your customers pay and gauge collection risk. You will submit it with loan applications, renewals, and periodic compliance packages to prove your receivables are collectible and your cash flow predictable.

## Before you start

- Pull your full accounts receivable ledger from your accounting software showing every outstanding invoice by customer
- Confirm the report date you will use, typically month-end or quarter-end to match your financial statements
- Gather supporting documentation such as recent invoices, payment histories, and any dispute or adjustment notes for past-due accounts
- List any customers currently on payment plans or under collection so you can annotate those balances
- Review California mechanics lien deadlines if your business involves construction, since aging affects your lien rights and banks weight those receivables differently

## Step-by-step

1. Enter the report date at the top and ensure your business legal name and address match your loan application exactly.
2. List each customer with an outstanding balance in the leftmost column, using the exact legal or DBA name that appears on invoices.
3. Sort each customer's invoices by age from the invoice date or due date, depending on your standard terms, and place the total dollar amount in the correct aging bucket: Current for invoices not yet due, 1-30 days for invoices up to thirty days past due, 31-60 days, 61-90 days, and 91-120 days for progressively older balances.
4. Sum across each row to show the per-customer total receivable in the far-right column.
5. If your software auto-calculates bucket totals at the bottom, verify each column adds correctly; if preparing manually, double-check your arithmetic because lenders will spot discrepancies immediately.
6. Calculate the grand total of all receivables and confirm it reconciles to your general ledger AR control account on the same date.
7. Apply color codes consistently, often green for Current, yellow for 1-30, orange for 31-60, and red for anything over sixty days, so aging concentration is visible at a glance.

8. Add footnotes for any accounts in dispute, bankruptcy, or under attorney collection, and note percentage reserves you have booked against doubtful accounts.

## What lenders look for

- Underwriters worry when more than twenty percent of total receivables fall in buckets older than sixty days, signaling weak credit policies or cash-flow strain, so clean up aged accounts before submission.
- Cross-reference customer concentrations; California banks flag single customers over fifteen percent of total AR as concentration risk requiring deeper credit checks.
- Never inflate current buckets by re-aging old invoices after partial payments without clear documentation, a common mistake that triggers audit flags and damages credibility.