

How to complete a Accounts Receivable Aging Report in Illinois

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 require an Accounts Receivable Aging Report to assess the quality and collectability of money your customers owe you. Lenders use the aging buckets to calculate how much of your receivables they will accept as collateral for a working-capital line of credit or term loan.

Before you start

- Your current general ledger or accounting software export showing all outstanding customer invoices with invoice dates and amounts due
- A complete customer list with current contact information and account numbers
- Documentation of any disputed invoices, credit holds, or known bad debts
- Your company's standard payment terms (net 30, net 60, etc.) so you can correctly assign invoices to aging buckets
- Any partial payments received that reduce specific invoice balances

Step-by-step

1. List each customer with an outstanding balance in the leftmost column, typically in alphabetical order or by account number.
2. For every unpaid invoice, calculate the number of days between the invoice date and the report date (today or the statement cutoff date).
3. Place each invoice amount into the correct aging bucket: Current means invoices within your standard terms, 1-30 days means invoices 1 to 30 days past due, and so on through 91-120 days or 120-plus days.
4. Total each customer's row horizontally across all aging buckets to show that customer's total accounts receivable balance.
5. Sum each aging column vertically to produce bucket subtotals at the bottom of the report.
6. Calculate the grand total of all receivables by adding the bucket subtotals together, and verify this matches the Accounts Receivable balance on your general ledger.
7. Apply your color-coding scheme consistently—many businesses use green for Current, yellow for 1-30 and 31-60, orange for 61-90, and red for anything over 90 days.
8. Add a percentage row showing what share of total receivables falls into each bucket, which helps lenders quickly assess concentration risk.

9. Flag any accounts in collections, under dispute, or with customers in bankruptcy, typically with a footnote or separate annotation.

10. Date and sign the report, and include your business name and the statement period covered.

What lenders look for

- Illinois banks typically advance only 70 to 85 percent against receivables in the Current and 1-30 buckets, and many exclude anything over 90 days entirely, so concentrations in older buckets weaken your borrowing base and signal collection problems.

- Underwriters watch for one or two customers representing more than 20 percent of total receivables because customer concentration increases credit risk if that account fails to pay.

- Common mistakes include mixing up invoice date and due date when calculating aging, failing to write off known bad debts before submitting the report, and not reconciling the grand total to your balance sheet.