

How to complete a Accounts Receivable Aging Report in Pennsylvania

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

Lenders and underwriters use the Accounts Receivable Aging Report to assess your cash-flow health and the quality of your outstanding invoices. It shows how long customers have owed you money, broken into aging buckets, so the bank can gauge collection risk and your working capital position.

Before you start

- Your current accounting software reports or ledger showing all unpaid customer invoices with their original invoice dates
- Customer account names, invoice numbers, and amounts due for every outstanding receivable
- Your standard payment terms (Net 30, Net 60, etc.) to correctly assign invoices to aging buckets
- Any known disputes, chargebacks, or anticipated write-offs that might affect collectibility
- Previous period's AR aging report if the lender requested trend comparison

Step-by-step

1. List every customer with an outstanding balance in the leftmost column, one customer per row.
2. For each invoice owed by that customer, calculate the number of days outstanding from the invoice date to today's date.
3. Place each invoice amount into the correct aging bucket column: Current (0-30 days), 1-30 (typically past due 1-30 days), 31-60, 61-90, or 91-120 days, depending on how your form defines the buckets and your payment terms.
4. Sum all invoices for each customer across all buckets to produce a per-customer total in the far-right column.
5. Total each aging-bucket column vertically to show how much of your receivables falls into each timeframe.
6. Calculate the grand total of all outstanding receivables by summing the per-customer totals or the bucket totals (these must match).
7. Apply color-coding as indicated on your form template—typically green for Current, yellow for 1-60 days, and red for over 60 days—to provide visual clarity.
8. Double-check that no invoice appears in more than one bucket and that every open invoice is captured.
9. Note the report date at the top so the lender knows the snapshot date.

10. If your form includes a concentration metric, calculate the percentage of total AR represented by your top three to five customers.

What lenders look for

- Banks focus on the percentage in buckets over 60 days; Pennsylvania lenders often view anything beyond 90 days as potentially uncollectible and will discount or exclude it when calculating your borrowing base.
- Ensure customer names match exactly across all financial documents; inconsistent naming raises red flags and delays underwriting.
- High concentration with one or two customers signals risk; if any single customer represents more than 25 percent of AR, be prepared to explain the relationship and payment history.