

Trade Finance in Ten Podcast: Episode 5 Summary

Accounts Payable Reports — What to Print & How to Read Them

1. Why Today's Topic Is Important

Accounts Payable reports show what your business owes and when it's due. For trades businesses, AP is one of the biggest sources of cash-flow surprises because bills are often entered late, receipts are missing, or purchases aren't tied to jobs. When AP reports aren't accurate, owners think they have more cash than they really do, which leads to stress, rushed decisions, and strained vendor relationships. Learning how to print and read AP reports gives you visibility, control, and predictability.

2. Key Takeaways

- AP reports are about visibility, not bookkeeping perfection.
- Late or missing bills make your cash position look better than it actually is.
- The main AP reports you should review regularly are:
  - AP Aging Summary: high-level snapshot of what you owe and how old it is.
  - AP Aging Detail: working report showing every bill, vendor, and due date.
  - Vendor Balance Detail: troubleshooting report showing bills, payments, and credits for one vendor.
- These are the core reports, but if something looks off, you may also need vendor statements, transaction detail, or invoices.
- AP reports should be reviewed in order: summary first, detail second (if you need to dig in) and vendor history last (if needed at all).
- Clean AP depends on daily habits: bills entered promptly, receipts handled immediately, and purchases tied to jobs.
- Tech purchases should be made only by company card with a job or PO number, or through a parts house account tied to a job.
- **Hold EVERYONE accountable for inputting receipts and invoices daily – including yourself.**
- Enforcing simple rules upfront prevents lost profit, extra admin work, and margin erosion later.

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3. Action Steps to Consider

- ☐ Print your AP Aging Summary and look at the total and aging buckets.
- ☐ Print your AP Aging Detail and scan for missing, duplicate, or incorrectly dated bills.
- ☐ Use Vendor Balance Detail when a vendor balance doesn't make sense.
- ☐ **Confirm that bills and receipts are being entered daily, not in batches.**
- ☐ Verify that tech purchases are tied to job or PO numbers at the time of purchase.
- ☐ Verify that your vendor balances match the statements that are sent to you each month.
- ☐ Set aside time weekly to review AP before making cash decisions.
- ☐ Before the 10th of each month, ensure AP is clean and ready for your monthly reporting/review process.
- ☐ Set KPIs for your AP person (or yourself) and hold them accountable.

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