

Trade Finance in Ten Podcast: Episode 6 Summary

Accounts Receivable Reports

1. Why Today's Topic Is Important

Accounts Receivable (AR) represents money you have already earned but not yet collected. Even businesses that primarily operate COD still encounter AR through installs waiting on financing, warranty work, rebates, memberships, or occasional commercial jobs. AR reports help confirm invoices went out correctly, payments were applied properly, and expected cash actually arrived. When AR is ignored, cash flow problems often appear without warning.

2. Key Takeaways

- AR is not about collections scripts; it is about visibility and discipline.
- Clean AR starts with timely, accurate invoicing — not aggressive follow-up.
- AR Aging Summary shows how much you are owed and how old the balances are.
- AR Aging Detail shows which invoices and customers are driving balances.
- Customer Balance Detail is used to troubleshoot when balances do not make sense.
- Missing vendor receipts/bills, documentation (photos, approvals, signed work orders), incomplete job notes, and under-invoicing are common root causes of AR problems in the trades.
- Under-invoicing is lost revenue, not delayed cash.
- Daily invoicing keeps AR current and prevents disputes.
- Clear onboarding and signed payment terms set expectations and protect your ability to enforce late fees or interest.
- Healthy collections are routine, calm, and supported by good documentation.
- AR should be reviewed weekly and cleaned up monthly by the 10th.

© 2025-2026 HVAC Office Solutions, LLC. Mainstreet MEP™ Visit us online at myhvacoffice.com
For educational use only; not legal, financial, or accounting advice; use at your own risk.

3. Action Steps to Consider

- ☐ Print your Accounts Receivable Aging Summary and review total balances and aging buckets.
- ☐ Review the AR Aging Detail to identify late invoices, missing invoices, or repeat slow-paying customers.
- ☐ Use Customer Balance Detail when a balance looks incorrect or confusing.
- ☐ Check that field receipts and job notes are being captured promptly so invoices are accurate.
- ☐ Confirm invoices are going out daily for completed or billable work.
- ☐ Verify all customers have signed payment terms on file.
- ☐ Set aside time weekly to review AR and address issues early.
- ☐ By the 9th of each month, ensure AR is clean with credits applied and no unexplained balances.
- ☐ Send client statements monthly, and create a solid SOP for follow up on late payments.

© 2025-2026 HVAC Office Solutions, LLC. Mainstreet MEP™ Visit us online at myhvacoffice.com
For educational use only; not legal, financial, or accounting advice; use at your own risk.