

Sales Ledger

End of Month Procedures

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1. Introduction.

Any user undertaking the End of Month tasks should be thoroughly familiar with Period Control concepts as outlined in Tutorial, ALL03.

When all sales ledger entries are completed for a reporting period (usually a calendar month), the following procedures should be carried out.

2. Allocate unallocated credit notes, receipts, and journals.

Allocating is the term used to matching credit notes, receipts, and journals, to their respective invoices. Ideally, (and this is usually the practice for most companies), receipts are matched on entry. However, credit notes and journals tend to be “left there – I’ll do it later” and end up not being done. This results in more detailed ageing reports as all unmatched transactions are printed on a detailed aged report. An invoice may be paid by the customer, or cancelled by a credit note, but, if the receipt or credit note is not allocated to the invoice, then both transactions are still regarded as “outstanding” and both transactions will appear on the aged report and the customer’s statement (if using the Open Statement layout). So, regular “housekeeping” is strongly recommended.

If foreign currency (FX) transactions are processed, then it is essential that transactions are allocated as quickly as possible. Unallocated FX transactions will always result in Aged Reports not agreeing with their respective Nominal Control Accounts. This is because the Aged Report for FX Balances will use the current FX rate (as stored in the currency file) to compute the Base Currency Equivalent (BCE) whereas the BCE of FX transactions in the Control Account is based on the FX rate that was used at the time of posting.

As a rule, for an FX Credit Note to be allocated against an FX invoice, the FX Rate of both transactions MUST be identical. However, there is a way around this – please refer to Tutorial SL02 on Sales Ledger Invoices & Credit Notes, Sections 3.1.1 and 3.1.2

3. Period Forward

As a rule, using a system parameter, the Sales Period Number will automatically increment to the next Period Number, on change of the calendar month. If this parameter is not set, then a user with the necessary Systems Administrator password will have to set the new Period Number – usually at close of business on the last working day of the reporting period. If necessary, if no more transactions are to be entered into the old Period, it should be “Locked”.

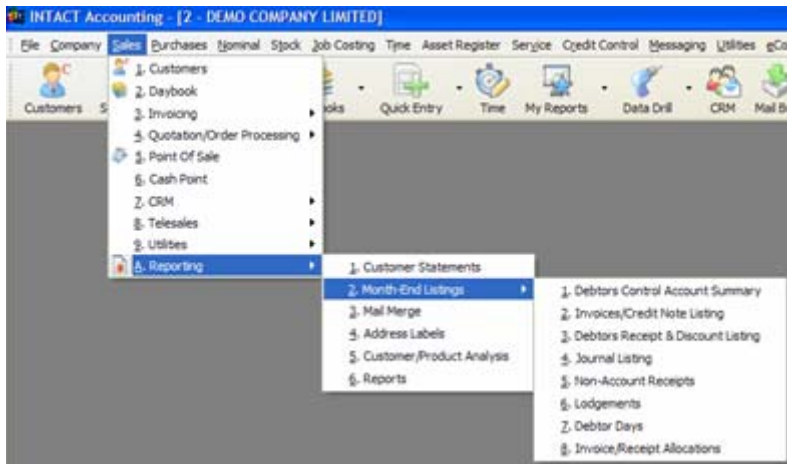
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4. Reports

4.1: Month End Listings.

The majority of reports required, are found in one convenient menu location:-

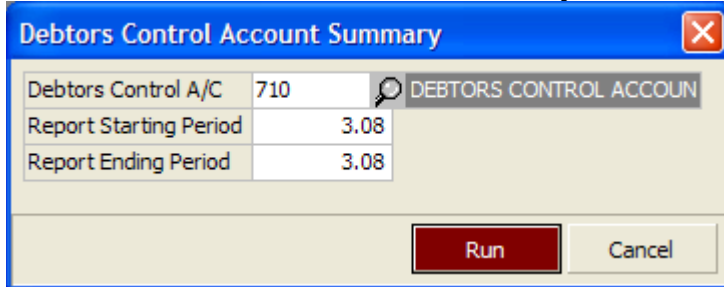


A brief description of each report follows.

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4.1.1: Debtors Control Account Summary



If FX Debtor Control A/Cs exist, then these Reports are run for each Control A/C.

The above menu is displayed, with the default Debtors Control A/C code (710 in this example), already filled in. Enter the Report Starting Period and Report Ending Period, and mouse-click/press the Run button to process the report. The Report gives a summary of what transactions “passed through” the Control Account for the period:-

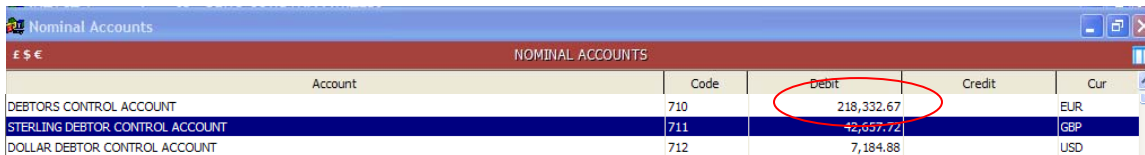
DEMO COMPANY LIMITED
 Debtors Control Account Summary
 DEBTORS CONTROL ACCOUNT
 Account : 710
 Period : 3.08

Printed : 25/03/2008 16:20
 Page : 1

Opening Balance MAR 08	216,054.63
Invoices	28,833.06
Credit Notes	-203.28
	28,629.78
Receipts	-26,455.47
Discount Allowed	0.00
Exchange Differences	0.00
Debit Journals	203.28
Credit Journals	-99.55
Closing Balance MAR 08	218,332.67

Ensure this agrees with Closing Balance of previous period.

The Closing Balance on this report should be the balance on nominal control account 710 which it is:-



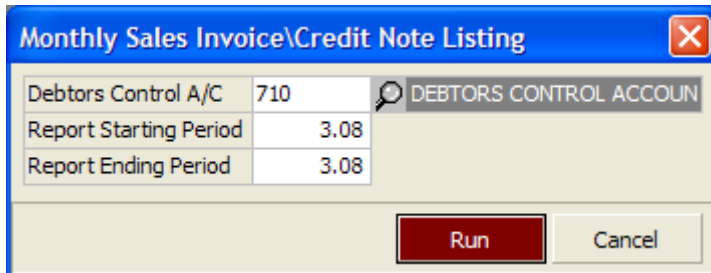
Account	Code	Debit	Credit	Cur
DEBTORS CONTROL ACCOUNT	710	218,332.67		EUR
STERLING DEBTOR CONTROL ACCOUNT	711	42,657.72		GBP
DOLLAR DEBTOR CONTROL ACCOUNT	712	7,184.88		USD

The other reports that will be subsequently run, should now validate the summary figures in this report. For example, the net amount for invoices less credit notes is 28,629.78. The next report, “Invoice/Credit Notes” listing should list the transactions making up this total (which it does) – see section 4.1.2 next page.

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4.1.2: Invoices/Credit Note Listing



Again the same procedure applies to the above menu as the Debtors Control Account Summary.

DEMO COMPANY LIMITED Printed : 25/03/2008 16:24
 Monthly Sales Invoice\Credit Note Listing (Base [EUR]) Page : 1
 Control A/C : 710
 Period Code : MAR 08

AUDIT	REF DATE	CODE	CUSTOMER	NUMBER	NET AMOUNT	VAT AMOUNT	GROSS AMOUNT
	2518 07/03/08	C	Cash-POS	517	-168.00	-35.28	-203.28
	2519 07/03/08	C	Cash-POS	518			
Totals For C					-168.00	-35.28	-203.28
	2503 03/03/08	A001	AMELEC DISTRIBUTORS	46098	1580.43	331.89	1912.32
	2504 03/03/08	A001	AMELEC DISTRIBUTORS	46099	334.52	70.25	404.77
	2507 03/03/08	ALEXIS	alexis in Cyprus	46100	3960.00	831.60	4791.60
	2511 07/03/08	C	Cash-POS	46101	450.00		450.00
	2513 07/03/08	C	Cash-POS	46102	3000.00	630.00	3630.00
	2515 07/03/08	C	Cash-POS	46103	950.41	199.59	1150.00
	2520 07/03/08	A001	AMELEC DISTRIBUTORS	46104	22.00	4.62	26.62
	2524 07/03/08	A001	AMELEC DISTRIBUTORS	46105	50.00	10.50	60.50
	2529 11/03/08	C	Cash-POS	46107	11000.00	1260.00	12260.00
	2533 13/03/08	C	Cash-POS	46108	3700.00	417.00	4117.00
	2557 19/03/08	A001	AMELEC DISTRIBUTORS	46109	25.00	5.25	30.25
Totals For I					25072.36	3760.70	28833.06
TOTALS					24904.36	3725.42	28629.78

Total for Invoices/Credit Notes as per Debtors Control Summary Total in section 4.1.1 above.

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4.1.3: Debtors Receipts and Discount Listing

Monthly Debtor Receipt Listing

Debtors Control A/C	710	DEBTORS CONTROL ACCOUNT
Report Starting Period	3.08	
Report Ending Period	3.08	

Again the same procedure applies to the above menu as the Debtors Control Account Summary.

DEMO COMPANY LIMITED
 Monthly Debtor Receipt Listing (Base [EUR])
 Control A/C : 710
 Period Code : MAR 08

Printed : 25/03/2008 16:30
Page : 1

REF DATE	NUMBER	NAME	RECEIPT AMOUNT	DISCOUNT AMOUNT
2508 03/03/08	4858	alexis in Cyprus	4791.60	
2512 07/03/08	4859	Cash-POS	450.00	
2514 07/03/08	4860	Cash-POS	3630.00	
2516 07/03/08	4861	Cash-POS	1150.00	
2521 07/03/08	4862	AMELEC DISTRIBUTORS	26.62	
2530 11/03/08	4863	Cash-POS	12260.00	
2534 13/03/08	4864	Cash-POS	4117.00	
2558 19/03/08	4865	AMELEC DISTRIBUTORS	30.25	
TOTALS			26455.47	0.00

Total for Receipts as per Debtors Control Summary Total in section 4.1.1 above.

4.1.4: Journal Listing

Monthly Debtor Journals Listing

Debtors Control A/C	710	DEBTORS CONTROL ACCOUNT
Report Starting Period	3.08	
Report Ending Period	3.08	

Again the same procedure applies to the above menu as the Debtors Control Account Summary.

DEMO COMPANY LIMITED
 Monthly Debtor Journals Listing (Base [EUR])
 Control A/C : 710
 Period Code : MAR 08

Printed : 25/03/2008 16:32
Page : 1

REF DATE	NUMBER	CODE	NAME	DEBIT AMOUNT	CREDIT AMOUNT	DETAIL
2517 07/03/08	2874	C	Cash-POS	203.28		Refund
2572 21/03/08	SL-123	A001	AMELEC DISTRIBUTORS		99.55	correct mis-posting-Ref B
TOTALS				203.28	99.55	

Total for Journals (Debit & Credit), as per Debtors Control Summary Total in section 4.1.1 above.











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4.1.5: Aged Debtor Listing

As part of the control on the Sales Ledger we must print the Debtors Aged Analysis report for each month. This Report is found in the Sales / Reporting section.

The following is an extract of the screen displayed:-

SALES LEDGER REPORTS	
	Description
 Aged Debtor Analysis	Aged Debtors Listing by Customer Code
 VAT Reports	Aged Debtors Listing by Currency (Customer Currency)
 Invoices & Credit Notes	Aged Debtors Listing by Customer Category
 Receipts	Aged Debtors Listing by Sales Rep
 Journals & Opening Balances	Aged Debtors Listing by Area
 Discounts	Aged Debtors Listing by Balance (Highest First)
 Exchange Differences	Aged Debtors Listing by Age (Oldest First)
 Lodgements	Detailed Aged Debtors
 All Sales Entries	
 Receipt Allocations	

A number of versions of the Aged Debtors Report are available as illustrated above. When any of the available reports is chosen, the following Recalculate Aging Form is presented for completion:-

Recalculate Aging

Select Transactions By (D)ate/(P)eriod

P

Cut Off Period

3.08

Cut Off Date

__/__/__

Age by (M)onths/(D)ays

M

Days per period

0

Age From

31/03/2008

Recalculate Detailed Aging ?

Yes

NOTE : To print the last balances calculated click 'Cancel' or press [ESC].

Calculate

Cancel

Select Transactions By (D)ate/(P)eriod: P for Period is recommended.

Cut Off Period: Enter the period for the month end

Aged by (M)onths/(D)ays: Enter M if P was chosen above, or D if date was chosen.

Days per Period: – Leave at zero (0) for 30

Age From: The last date of the Cut Off Period is automatically displayed.

Recalculate Detailed Aging : ENTER No for the Summary Version, Yes for the Detailed Version.

Press ENTER on the Calculate button.

The system will proceed to calculate the aging for each debtor. When the system completes this task the following menu is displayed.

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Report Criteria		
Aged Debtors Listing by Customer Code		
	From	To
Customer A/C Code		
Category Code		
Area Code		
Sales Rep Code		
Route Code		
Head Office Code		
Account Currency Code		
Intrastat Customers?		
A/Cs On Credit Stop?		
Sort Account Code Currency Base [EUR]		
Add-INS Edit-CR Curncy-# Sort-F5 Clear-F6 Run-F7 Options-F8 Batch-F9 Close-ESC		

Ensure that all criteria on the From/To columns are blank to ensure that all of the debtors accounts are printed. Pressing F7 will print this report.

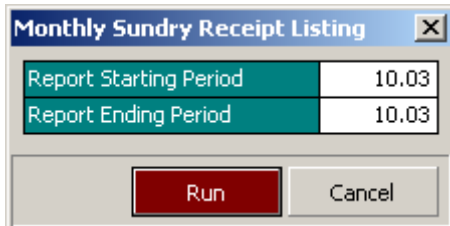
The balance on the Aged Debtors Report should agree with the closing balance on the Debtors Control Summary Report, which in turn should agree with the balance on the Nominal Ledger Debtors Control Account. If not in agreement, the difference has to be investigated and rectified.

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4.2 Other Sales Ledger Reports

4.2.1: Non Account Receipts (“Nominal Receipts”).



Monthly Sundry Receipt Listing	
Report Starting Period	10.03
Report Ending Period	10.03
<div>Run Cancel</div>	

This Report will list ALL receipts from non-customer sources, irrespective of where they were lodged. Similar reports in the Nominal Ledger are “bank specific”.

Enter the Report Starting Period and the Report Ending Period and press RUN to print the report. You will notice that there is no entry on this menu for the Debtors Control A/C as non account receipts are not part of the Debtors Control Account.

4.2.2: Lodgements



Monthly Lodgement Listing	
Report Starting Period	10.03
Report Ending Period	10.03
<div>Run Cancel</div>	

This Report will list Lodgements made to ALL banks accounts. Similar reports in the Nominal Ledger are “bank specific”.

Enter the Report Starting Period and the Report Ending Period and press RUN to print the report.

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4.3: Sales VAT Reports

It is advisable to print the VAT reports on a monthly basis. This can be carried out as follows, click on Sales, 6 – Reporting, 5 – Reports and the following menu is displayed

SALES LEDGER REPORTS	
<ul style="list-style-type: none"> Aged Debtor Analysis VAT Reports Invoices & Credit Notes Receipts Journals & Opening Balances 	<ul style="list-style-type: none"> Sales VAT Detailed Listing Sales VAT Summary Listing Sales VAT Check Listing

On the left sided column click on VAT Reports and then on the right sided column click on Sales VAT Summary Listing. The menu on the right-hand side is then displayed. Whichever report option is taken, the Report Criteria Screen is displayed:-

Report Criteria		
Sales VAT Summary Listing		
	From	To
Period Code	7.07	7.07
VAT Code		
Nominal Account		
Date		
Trade		
Contract		
Customer		
Category Code		
Area Code		
Sort VAT Code Currency Base [EUR]		
Add-INS Edit-CR Curncy-# Sort-F5 Clear-F6 Run-F7 Options-F8 Batch-F9 Close-ESC		

Enter the period for the report on Period Code in the From/To columns. All other criteria should remain blank in the From/To columns. Press F7 to print the report.

4.3.1: Summary Vat Report

DEMO COMPANY LIMITED			Printed : 28/03/2008 15:52		
Sales VAT Summary Listing (Base [EUR])			Page : 1		
Period Code : JUL 07					
	NET	VAT	GROSS		
Total @ Rate 1 [STANDARD-21% 21.00%]	4838.43	1016.10	5854.53		
Total @ Rate 4 [IMP\EXP E.E.C. 0.00%]	88.78	0.00	88.78		
TOTALS	4927.21	1016.10	5943.31		

This shows the totals for each Vat code.

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4.3.2: Detailed Vat Report

DEMO COMPANY LIMITED
Sales VAT Detailed Listing (Base [EUR])
Period Code : JUL 07

Printed : 28/03/2008 15:57
Page : 1

REF DATE	NUMBER	NAME	NET	VAT	GROSS
1418 16/07/07	463	AMELEC DISTRIBUTORS	-195.02	-40.95	-235.97
1422 18/07/07	45785	ADDIS LTD	100.00	21.00	121.00
1428 18/07/07	45786	AMELEC DISTRIBUTORS	1195.58	251.08	1446.66
1428 18/07/07	45786	AMELEC DISTRIBUTORS	-300.00	-63.00	-363.00
1434 18/07/07	45787	ASG LIMITED	951.03	199.72	1150.75
1434 18/07/07	45787	ASG LIMITED	-826.45	-173.85	-1000.00
1434 18/07/07	45787	ASG LIMITED	-991.74	-208.26	-1200.00
1438 18/07/07	45788	ASG LIMITED	1500.00	315.00	1815.00
1438 18/07/07	45788	ASG LIMITED	-1500.00	-315.00	-1815.00
1440 18/07/07	45789	ASG LIMITED	1500.00	315.00	1815.00
1440 18/07/07	45789	ASG LIMITED	-566.12	-118.88	-685.00
1444 19/07/07	45790	Cash-POS	209.09	43.91	253.00
1446 19/07/07	45791	ASG LIMITED	1300.00	273.00	1573.00
1448 19/07/07	45792	ASG LIMITED	1356.08	284.78	1640.86
1448 19/07/07	45792	ASG LIMITED	-1356.08	-284.78	-1640.86
1450 19/07/07	45793	ASG LIMITED	1300.00	273.00	1573.00
1451 19/07/07	45794	ASG LIMITED	1356.08	284.78	1640.86
1451 19/07/07	45794	ASG LIMITED	-544.74	-114.40	-659.14
1453 24/07/07	464	Cash-POS	-18.00	-3.78	-21.78
1454 24/07/07	465	Cash-POS	-18.00	-3.78	-21.78
1455 26/07/07	45795	ADDIS LTD	236.26	49.61	285.87
1455 26/07/07	45795	ADDIS LTD	15.00	3.15	18.15
1460 31/07/07	45796	AMELEC DISTRIBUTORS	125.00	26.25	151.25
1462 31/07/07	45797	BRIDGE RECRUITMENT AGENCY LTD	10.46	2.20	12.66
Total @ Rate 1 [STANDARD-21% 21.00%]			4836.43	1016.10	5854.53
1414 16/07/07	45784	AA SERVICES LTD	88.78	0.00	88.78
Total @ Rate 4 [IMP\EXP E.E.C. 0.00%]			88.78	0.00	88.78
TOTALS			4927.21	1016.10	5943.31

This shows the detailed transaction which make up the summary totals. This report should always be printed – the “VAT Man” will ask for it during a VAT audit.

The total of the Invoices/Credit notes on the Debtors Control Account should equal the Gross Total on the Sales VAT Summary Report.

The Vat Return Report which consolidates the Summary Reports for both the Sales and Purchases Ledgers, is found in the Nominal Ledger Reporting section.

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4.3.3: Sales VAT Check Listing.

This report shows the vat amount as entered on the transaction, and the vat amount as recalculated by the system, and the difference, if any, between the two amounts. It is really only relevant where invoice summaries are entered manually into the daybook. In such circumstances, the calculated VAT amount can be overwritten by the user to force the entry to agree with the manual invoice.

The equivalent report in the Purchases Ledger is much more relevant.

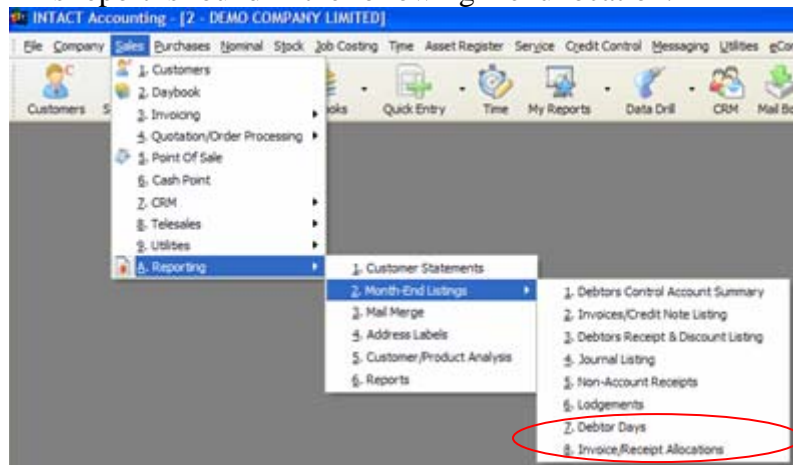
DEMO COMPANY LIMITED						Printed : 28/03/2008 16:00		
Sales VAT Check Listing (Base [EUR])						Page : 1		
Period Code : JUL 07								
REF DATE	NUMBER	NAME	NET	VAT	GROSS	VAT AMOUNT	VAT DIFFERENCE	
1418 16/07/07	463	AMELEC DISTRIBUTORS	-195.02	-40.95	-235.97	-40.95		
1422 18/07/07	45785	ADDIS LTD	100.00	21.00	121.00	21.00		
1428 18/07/07	45786	AMELEC DISTRIBUTORS	1195.58	251.08	1446.66	251.07	0.01	
1428 18/07/07	45786	AMELEC DISTRIBUTORS	-300.00	-63.00	-363.00	-63.00		
1434 18/07/07	45787	ASG LIMITED	951.03	199.72	1150.75	199.72		
1434 18/07/07	45787	ASG LIMITED	-826.45	-173.55	-1000.00	-173.55		
1434 18/07/07	45787	ASG LIMITED	-991.74	-208.26	-1200.00	-208.27	0.01	
1438 18/07/07	45788	ASG LIMITED	1500.00	315.00	1815.00	315.00		
1438 18/07/07	45788	ASG LIMITED	-1500.00	-315.00	-1815.00	-315.00		
1440 18/07/07	45789	ASG LIMITED	1500.00	315.00	1815.00	315.00		
1440 18/07/07	45789	ASG LIMITED	-566.12	-118.88	-685.00	-118.89	0.01	
1444 19/07/07	45790	Cash-POS	209.09	43.91	253.00	43.91		
1446 19/07/07	45791	ASG LIMITED	1300.00	273.00	1573.00	273.00		
1448 19/07/07	45792	ASG LIMITED	1356.08	284.78	1640.86	284.78		
1448 19/07/07	45792	ASG LIMITED	-1356.08	-284.78	-1640.86	-284.78		
1450 19/07/07	45793	ASG LIMITED	1300.00	273.00	1573.00	273.00		
1451 19/07/07	45794	ASG LIMITED	1356.08	284.78	1640.86	284.78		
1451 19/07/07	45794	ASG LIMITED	-544.74	-114.40	-659.14	-114.40		
1453 24/07/07	464	Cash-POS	-18.00	-3.78	-21.78	-3.78		
1454 24/07/07	465	Cash-POS	-18.00	-3.78	-21.78	-3.78		
1455 26/07/07	45795	ADDIS LTD	236.26	49.61	285.87	49.61		
1455 26/07/07	45795	ADDIS LTD	15.00	3.15	18.15	3.15		
1460 31/07/07	45796	AMELEC DISTRIBUTORS	125.00	26.25	151.25	26.25		
1462 31/07/07	45797	BRIDGE RECRUITMENT AGENCY LTD	10.46	2.20	12.66	2.20		
Total @ Rate 1 [STANDARD-21% 21.00%]			4838.43	1016.10	5854.53	1016.07	0.03	
1414 16/07/07	45784	AA SERVICES LTD	88.78		88.78			
Total @ Rate 4 [IMP/EXP E.E.C. 0.00%]			88.78		88.78			
TOTALS			4927.21	1016.10	5943.31	1016.07	0.03	

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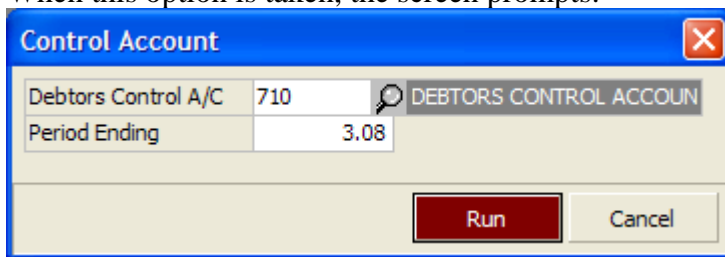
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4.4 Debtor Days.

This report is found in the following menu location:-



When this option is taken, the screen prompts:-



This is the Debtors Days Report:-

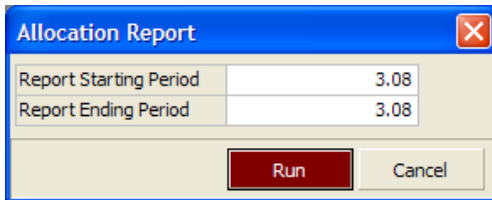
DEMO COMPANY LIMITED			Printed : 04/04/2008 09:51
Debtors Days Summary			Page : 1
DEBTORS CONTROL ACCOUNT			
Account :	710		
Period :	3.08		
<hr/>			
Closing Balance MAR 08	198,832.67		
MAR 08	28,629.78	31	
FEB 08	5,060.72	29	
JAN 08	44,671.70	31	
DEC 07	38,555.13	31	
NOV 07	30,341.69	30	
OCT 07	40,371.15	31	
SEP 07	11,202.50	18.78	
Totals	198,832.67	201.78	

The report shows that on average, the company takes 201.78 days to pay its debtors. See Appendix 1 for an explanation of how the total of 201.78 days is calculated.

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4.5: Invoice/Receipt Allocations



The Allocation Report dialog box has a blue title bar with the text 'Allocation Report' and a close button (X). It contains two input fields: 'Report Starting Period' with the value '3.08' and 'Report Ending Period' with the value '3.08'. At the bottom, there are two buttons: 'Run' (highlighted in red) and 'Cancel'.

The From/To fields are blank when this Screen Prompt is displayed, and have to be entered by the user.

The report show how receipts were allocated, the following extract from a report shows how a receipt for 12,000.00 was allocated. If credit notes were also allocated during the receipt allocation process, these will also be shown.

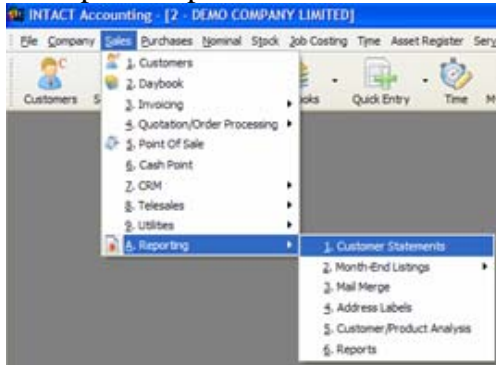
Rec	05/03/08	4870	A002-CUSTADDIS LTD	12,000.00			
CN	28/11/07	51	A002-CUSTADDIS LTD		200.00	0.00	200.00
Inv	25/11/07	45950	A002-CUSTADDIS LTD		3,025.00	0.00	2,496.89
CN	28/11/07	54	A002-CUSTADDIS LTD		-605.00	0.00	0.00
CN	28/11/07	57	A002-CUSTADDIS LTD		1,470.21	0.00	865.21
Inv	05/08/07	45952	A002-CUSTADDIS LTD		1,137.40	0.00	0.00
Inv	05/09/07	45952	A002-CUSTADDIS LTD		1,137.40	0.00	0.00
Inv	05/10/07	45952	A002-CUSTADDIS LTD		1,137.40	0.00	0.00
Inv	05/11/07	45952	A002-CUSTADDIS LTD		1,137.40	0.00	0.00
Inv	29/11/07	45953	A002-CUSTADDIS LTD		1,815.00	0.00	1,815.00
Inv	29/11/07	45957	A002-CUSTADDIS LTD		2,662.00	0.00	1,662.00
Inv	30/11/07	45962	A002-CUSTADDIS LTD		1,138.65	0.00	1,138.65
Inv	30/11/07	45964	A002-CUSTADDIS LTD		1,138.65	0.00	1,138.65
Inv	03/12/07	45965	A002-CUSTADDIS LTD		534.66	0.00	534.66
Inv	03/12/07	45967	A002-CUSTADDIS LTD		534.66	0.00	534.66
Inv	03/12/07	45968	A002-CUSTADDIS LTD		1,035.68	0.00	1,035.68
Inv	03/12/07	45969	A002-CUSTADDIS LTD		1,476.77	0.00	578.60
Total				12,000.00	18,975.88	0.00	12,000.00

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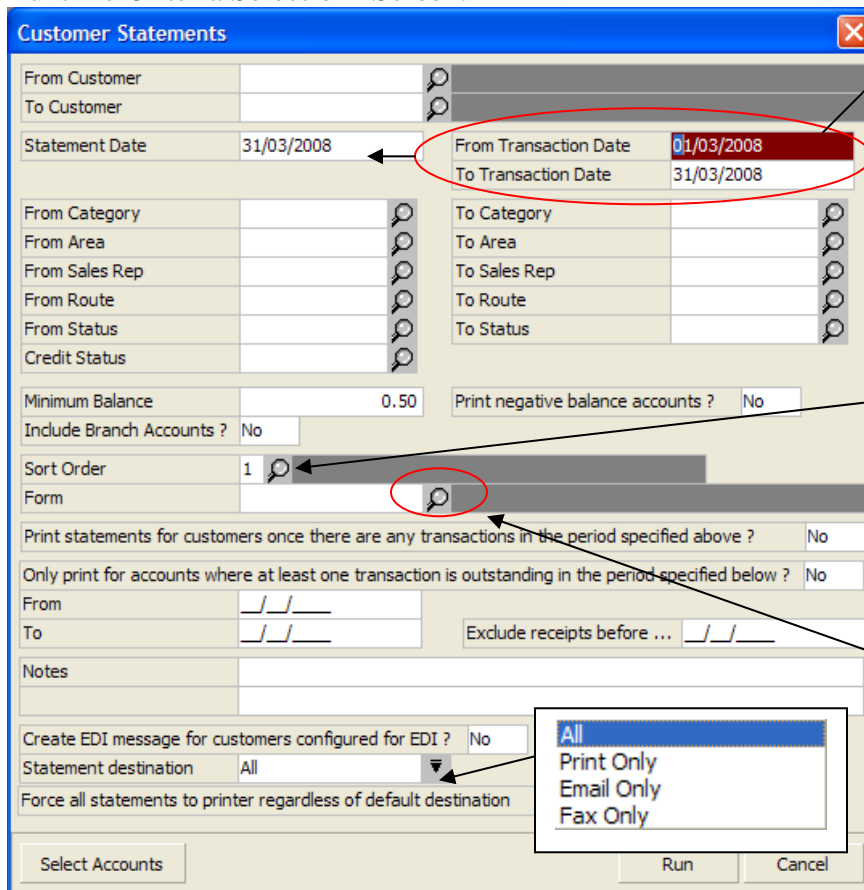
4.6 Customer Statements

The option to produce customer statements is found in the following menu location:-



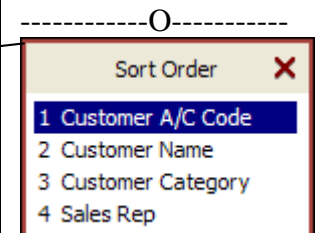
The “Runtime Criteria Selection” screen that opens when this option is chosen, provides the user with great flexibility in determining who gets statements. Users should be familiar with Tutorial SL14 on Credit Control Facilities and what statement print options have been set up in the individual customer records – refer to Tutorial SL01 on Customer Database.

Runtime Criteria Selection” Screen.



Will be automatically entered when the Statement date is entered provided the Config5 Parameter “Fill Statement Start / End dates based on Statement Date” is set to Yes.

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If there are different Stmt layouts, choose the required one from this drop down list.

This options on the screen are self explanatory.

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Appendix 1: How Debtors Days are calculated.

DEMO COMPANY LIMITED
 Debtors Days Summary
 DEBTORS CONTROL ACCOUNT
 Account : 710
 Period : 3.08

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Closing Balance MAR 08	198,832.67	
MAR 08	28,629.78	31
FEB 08	5,060.72	29
JAN 08	44,671.70	31
DEC 07	38,555.13	31
NOV 07	30,341.69	30
OCT 07	40,371.15	31
SEP 07	11,202.50	18.78
Totals	198,832.67	201.78

The above amounts are calculated as follows:-

- The system gets the balance on the specified Debtors Control A/C as at the Report Period Date, eg, as at 3.08, the balance is 198,832.67
- The system gets the Turnover (**Including VAT**) for each period up to the Report Period back to a maximum of 6 periods from the current period.
- Going back through each of these 7 Periods, starting at the period selected apply the following formula:-

$$\text{Days} = \frac{\text{Lower Figure}}{\text{This Period's Turnover}} \times \frac{\text{Days in This Period}}{1}$$

In English, The "Lower Figure" is divided by each Period's Turnover and the answer is multiplied by the number of days in the period.

The "Lower Figure" is the lower of the Period Turnover or the Remaining Balance.
The Remaining Balance is calculated as follows:-

Period	Customer Turnover	Days in Month	Remaining Balance	Remaining Balance explained
3.08	28629.78	31	198832.67	Period 3.08 = Balance as at Report Cut-Off period
2.08	5060.72	29	170202.89	Previous Remaining Balance minus Previous Period's Turnover: 198832.67 minus 28269.78 = 170202.89
1.08	44671.70	31	165142.17	Period 1.08: 170202.89 minus 5060.72 = 165142.17
12.07	38555.13	31	120470.47	Period 12.07: 165142.17 minus 44671.30 = 120470.47
11.07	30341.69	30	81915.34	Period 11.07: 120407.47 minus 38555.13 = 81915.34
10.07	40371.15	31	51573.65	Period 10.07: 81915.34 minus 30341.69 = 51573.65
9.07	17895.37	30	11202.50	Period 9.07: 51573.65 minus 40371.15 = 11202.50

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Applying the formula

Period	Customer Turnover	Days in Period	Remaining Balance	Calculation of the days	Days
3.08	28629.78	31	198832.67	(Lower figure 28629.78 / 28629.78 Turnover) * 31 =	31
2.08	5060.72	29	170202.89	(Lower figure 5060.72 / 5060.72 Turnover) * 29 =	29
1.08	44671.70	31	165142.17	etc, etc until we get to Period 9.07	31
12.07	38555.13	31	120470.47		31
11.07	30341.69	30	81915.34		30
10.07	40371.15	31	51573.65		31
9.07	17895.37	30	11202.50	(Lower figure 11202.50 / 17895.37 Turnover) * 30 =	18.78
Average number of days being taken to pay suppliers					201.78