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### **Accounts Receivable Aging (Tableau Version)**

**Lab Insight:** To evaluate the collectability of accounts receivable, companies analyze how long the receivables have been outstanding. Why? The longer the receivables go unpaid, the less likely they will ever be collected. Aging receivables helps the company's accountant determine the appropriate bad debts expense to record, and thus, improves the estimate for the allowance for doubtful accounts valuation.

In this lab, we use pivot tables to group accounts receivable into 30-day buckets so accountants can quickly focus on the oldest accounts outstanding.

Required:

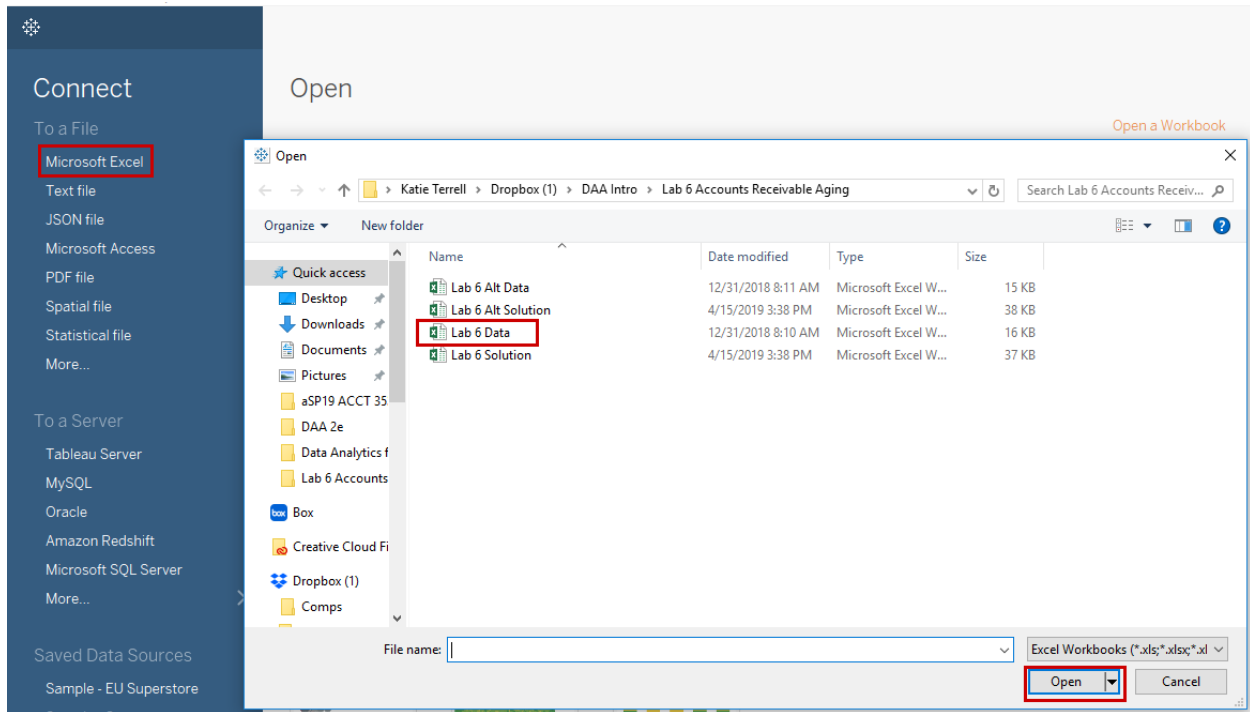
1. Age the receivables in six 30-day buckets including 1-30 days, 31-60 days, 61-90 days, 91-120 days, 121-150 days, and 151-180 days.
2. Provide a detailed list of the receivables from the 61-90 day bucket.

**Ask the Question:** How can we age receivables using Excel pivot tables?

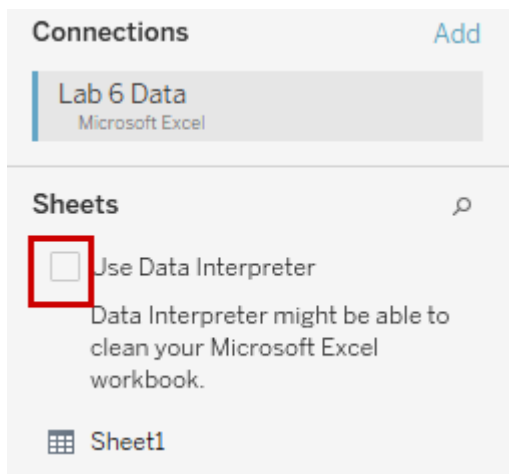
**Master the Data:**

Open Tableau.

**Step 1:** **Connect** Tableau to the Excel file. From Tableau, **select** Connect > Microsoft Excel, then **browse** to the location where you have saved file Accounts Receivable Aging.xlsx, and **click** Open.



**Step 2:** The data will likely come in with extra fields due to the way the spreadsheet is formatted. To quickly clean the data, place a checkmark in the **Use Data Interpreter** box.



The data should now consist of only these three fields:

Sort fields Data source order ▼

Customer	Invoice Amount	Due Date
Home Depot	377.60	12/2/2021
Porsche	1,259.97	9/28/2021
Burberry	1,476.09	8/14/2021
AT&T	331.80	11/24/2021
Porsche	1,122.46	9/5/2021

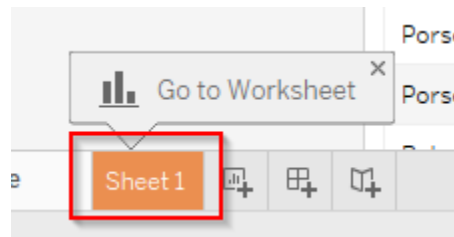
Note that this data lists 200 receivables that are all past their due date. [Data Dictionary:](#)

**Customer:** Name of the customer

**Invoice Amount:** Amount of invoice amount that remains unpaid. The amount of the receivable owed to the company.

**Due Date:** Date the invoice was due

**Step 3:** Click Sheet 1 to begin working with the data.

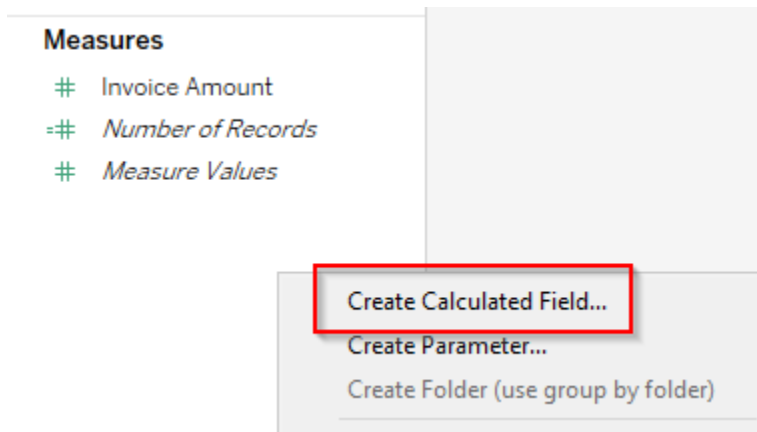


### **Part 1:**

#### **Perform the Analysis:**

We can create a calculated field and aging buckets (which Tableau called 'bins') for an easy way to age the receivables and put them into their appropriate aging buckets.

**Step 1 – create 'Days Past Due' field:** Right-click in the Measures field to create Calculated Field.



Name your new calculated field **Days Past Due**.

To create the field, we will use the Tableau function DATEDIFF. The arguments in the DATEDIFF function are the following:

- Date\_part – this argument designates what Tableau should count, days, weeks, years, etc. We will count days, so you can type **'day'** as the first argument.
- Start\_date – we need to subtract today's date (December 31<sup>st</sup>, 2021) from the day each invoice was due. This argument needs to reference the **Due Date** field.
- End\_date – this argument is today's date. Tableau formats dates in between number signs like this: **#2021-12-31#**.

The formula as a whole should read like this: **DATEDIFF('day',[Due Date],#2021-12-31#)**

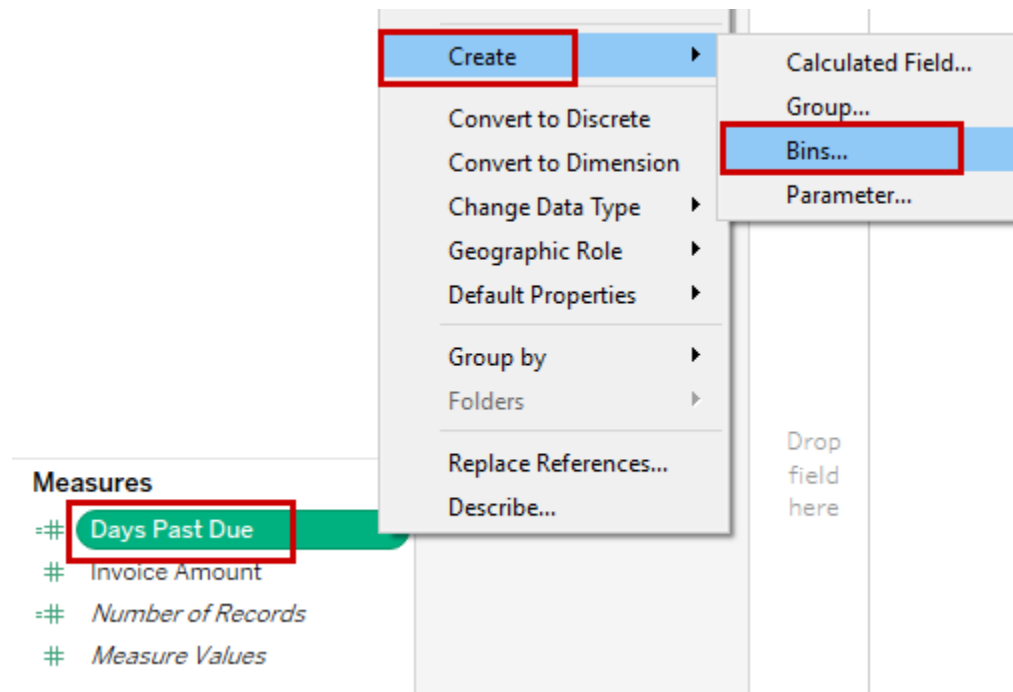
Once you have input your information, click OK to finish creating the measure.



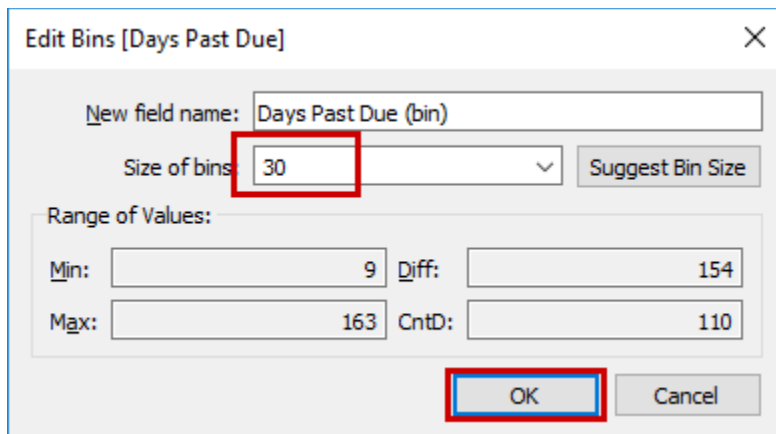
**Real World Data Tip!** If you wanted to monitor this dataset daily or weekly, you could replace the hard-coded date in the `End_date` argument with Tableau's `TODAY` function. With that replacement, everytime the file was opened, the `DATEDIFF` function would re-calculate the amount of days the invoices are past due based on the actual current date.

That argument would look like this: `DATEDIFF('day',[Due Date],TODAY())`

**Step 2 – create aging buckets:** Right-click the new Days Past Due pill from the Measures shelf, then select **Create > Bins**.



Change the **Size of bins** to **30**, then click OK.



Double-click **Days Past Due (bin)** to see a list of the aging buckets, then double-click **Invoice Amount** to see a sum of invoices past due categorized by aging bucket.

To quickly see the underlying data for the 61-90 day bucket, click the invoice amount associated with that bucket (35,642) and select the **View Data** icon.

Days Past D..	
0	23,958
30	35,642
60	37,723
90	27,312
120	34,499
150	10,010

Keep Only  
  Exclude  
  

Days Past Due (bin): 60

Invoice Amount: 37,723

From the window that pops up, you can select the tab for **Full Data** to see the invoice details.

View Data: Sheet 1

47  Show aliases  Show all fields Copy Export All

Customer	Days Past Due (bin)	Due Date	Days Past Due	Invoice Amount	Number of Records
Porsche	60	10/3/2021	89	838.18	1
United Parcel Service	60	10/31/2021	61	685.10	1
Citigroup	60	10/30/2021	62	994.35	1
Xerox	60	10/16/2021	76	230.98	1
Starbucks	60	10/8/2021	84	419.86	1
KFC	60	10/8/2021	84	1,093.72	1
Avon	60	10/12/2021	80	717.65	1
VISA	60	10/10/2021	82	723.94	1
Credit Suisse	60	10/4/2021	88	731.90	1
Microsoft	60	10/29/2021	63	325.08	1
Amazon.com	60	10/10/2021	82	848.22	1
Oracle Corporation	60	10/3/2021	89	406.57	1
Jack Daniel's	60	10/5/2021	87	1,117.75	1
Smirnoff	60	10/30/2021	62	1,011.41	1
MasterCard	60	10/20/2021	72	810.28	1
Nintendo	60	10/12/2021	80	1,139.62	1
Corona	60	10/24/2021	68	1,054.12	1

Summary Full Data 47 rows

**Share the Story:**

Now that you have aged the receivables, the company is better able to estimate their allowance for doubtful accounts (the contra receivable accounts that reduces gross accounts receivable into net accounts receivable). As a rule, as accounts receivable age, they are less likely to be collected.