

How to Balance your Sales (Debtors) Control Account

In a sales control account, the total of outstanding invoices at the beginning of the period and invoices raised during the period, less payments received for invoiced income, will give a balancing figure of invoices still outstanding at the end of the period - your debtors. You can then compare this figure with that of invoices outstanding and thereby detect any errors.

The control account

	Debit £	Credit £
<i>Debtors at beginning of period</i> (Outstanding invoices at beginning of period equal to closing balances for previous period)	6589.36	
<i>Total invoices in period</i> (Total of sales day book - your list of invoices - gross figure)	13848.25	
<i>Total receipts in period</i> (Total from cash book of invoiced income)		11250.57
<i>Debtors at end of period</i> (Balancing figures, which should agree with prepared list)		9187.04
	20437.61	20437.61

If your debtors list does not agree with the control account, check the following points:

- Have you listed all your debtors, including invoices only partly paid or outstanding from the beginning of the period, and invoices paid directly after the end of the period, because these receipts would not be in the cash book?
- Are there any invoices you will never receive payment for - bad debts - that you have not included in your debtors figure? These should be entered as a separate credit in your control account.
- Credit notes - does your total of invoices in the period include credit notes issued? If not, these must be included on the credit side of the account.
- Receipts from cash book should be only those that relate to invoiced sales or work done, not for the sale of a vehicle, loans, refunds etc. If included, these figures should be taken off the receipts figure in the control account.
- Un-invoiced sales - sales that should have had an invoice raised but by error did not - should be added to the invoice total.

4A Printing House Yard, London E2 7PR T: 0207 613 2586 E: mail@armco.co.uk

- Receipts for sales that were not entered into the cash book will have to be included as a receipt on the control account.
- Mis-additions of receipts, invoices or debtors totals, or duplication of invoices, receipts, or debtors in listings.

The amended sales control might look as follows:

	£	Debit £	Credit £
<i>Debtors at beginning of period</i>		6589.36	
<i>Total invoices</i>	13848.25		
Sales not invoiced in error	521.20		
	<u> </u>	14369.45	
<i>Credit notes</i>			210.40
<i>Total receipts</i>	11250.57		
Sales of vehicle	(3200.00)		
Mis-addition	(29.06)		
	<u> </u>		8021.51
<i>Receipts banked in private account</i>			2100.00
<i>Bad debts</i>			86.00
<i>Debtors at end of period</i>			10540.90
		<u>20958.81</u>	<u>20958.81</u>

Original debtors figure per list	8064.23
Debtor paid after period not on list	2526.00
Debtor included twice	(80.00)
Invoice paid short, amount still outstanding	30.67
	<u>10540.90</u>

Do call us if you would like any further help or advice in this area.