

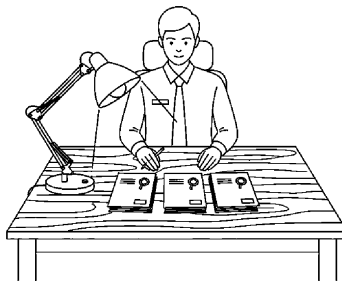
HIGH-VOLUME

WORKSHEET 3 OF 9

# Vendor Payment Due-Date Tracker

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*Two-week forward view of all vendor payment obligations, integrated with your cash position for each week.*



Complementary worksheet for  
*Procurement Best Practices*  
by Ibrahim Anwar

## What This Is For

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Vendor payments made on time, not early and not late, are working capital management, not just good manners. A business that pays all vendors on the same fixed date every month regardless of individual terms is on average paying 12 days too early, releasing cash it did not have to release yet. A business with no forward payment view is making that decision by default rather than by calculation.

The symptom that brings operators to this sheet is usually a cash crunch that coincided with a week of heavy vendor payments, or a vendor who started adding a 2% surcharge to invoices because payment had been late three months in a row. Both are avoidable with a two-week forward visibility that takes twenty minutes on Monday morning to maintain.

# Benefits

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What you get when you actually run this worksheet on a real situation:

- Eliminates payment surprises by showing every due date two weeks ahead, before cash is committed to other uses.
- Identifies early-payment discount opportunities while there is still time to calculate whether taking them makes financial sense.
- Shows which weeks have payment concentrations that need receivables planning, rather than discovering the mismatch on the day payments are due.
- Builds the DPO (Days Payable Outstanding) data that due diligence teams examine, without any extra work at reporting time.
- Creates the paper trail showing that vendor payment decisions were deliberate, not reactive.

## Framework To Use

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### — Four-Week Cash Gate

*Every vendor payment passes through a gate that checks three things before release: due date confirmed, GRN signed, and cash position clear for the payment week.*

# How To Use

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Follow these steps in order. Each one builds on the previous.

- 1** Every Monday morning, open all active POs whose GRNs have been signed but payment has not yet been processed.
- 2** For each, calculate the due date from the GRN signing date plus the agreed payment terms (e.g., GRN signed April 14 + Net 30 = due May 14).
- 3** List every payment due in the next 14 days in the table, sorted by due date. Note the vendor, PO and invoice numbers, value in USD, and the terms.
- 4** In the Cash Status column: mark 'Clear' if the current week's projected cash balance comfortably covers this payment. Mark 'Confirm' if a receivable collection needs to land first. Mark 'Hold' only if cash is genuinely insufficient and a delay conversation with the vendor is needed.
- 5** For any payment with terms that include an early-payment discount (e.g., 2/10 Net 30): calculate whether the discount value exceeds the cost of releasing cash early. Record the decision.
- 6** Process payments on their due date, not before unless an early discount has been explicitly calculated and approved.
- 7** At the end of each week: archive the completed tracker sheet alongside the GRNs it references. This creates the DPO record without extra effort.

## Example Use

*A trading business with twelve active vendors and average monthly payables of \$28,000 starts the tracker after discovering it had paid one vendor \$3,400 seventeen days early and another \$1,200 nine days late in the same month.*

Monday, May 5: owner opens the tracker. Six payments due in the next 14 days.

Vendor A: \$4,200 due May 9 (Net 30 from GRN April 9). Cash Status: Clear. Action: pay on time.

Vendor B: \$1,800 due May 7 (Net 15 from GRN April 22). Terms include 2/10 discount (\$36 saved for paying by May 2). Discount deadline already passed. Action: pay on May 7, note the missed discount — set calendar reminder for next invoice.

Vendor C: \$6,400 due May 14 (Net 30). Cash Status: Confirm — a \$9,000 receivable from Client X is expected May 11. Action: hold until May 11 receipt confirmed, pay Vendor C on May 14.

Vendor D: \$920 due May 12 (Net 14 from GRN April 28). Cash Status: Clear. Action: pay on time.

Total due in 14 days: \$13,320. Cash projection shows \$18,000 available by May 11 if Client X pays on time. No payment crisis this week.

Owner notes: if Client X slips to May 14, Vendor C payment will be two days late. Owner calls Client X on May 9 to confirm payment timing. Client confirms. Vendor C is paid on May 14 as scheduled.



## Reflection Prompts

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*After filling in the worksheet on the previous page, work through these.*

1. Total the Value column for payments due in the next 7 days. Compare that figure to your confirmed receivables collection for the same week. If payables exceed confirmed receivables, identify which payment can be safely delayed (and contact that vendor today) versus which cannot.
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2. For any row with a 2/10 or similar early-payment discount: calculate the annualized return on releasing cash early (discount % / remaining days × 365). If that rate exceeds your cost of capital, take the discount. If it does not, pay on the regular due date and preserve the cash.
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# Tips and Traps

## TIPS

- Use GRN signing date, not invoice date, as the start of payment terms. A vendor who issues the invoice before you sign the GRN is asking you to start the clock before receiving verification is complete. Net 30 from GRN signed date is the correct anchor.
- Archive the completed weekly tracker alongside the GRNs for the same period. In 18 months, this becomes your DPO audit trail with zero extra effort.
- When a vendor offers terms with an early-payment discount, set a calendar reminder for the discount deadline on the day you sign the GRN. The opportunity is only visible if you track it in advance.
- Flag any payment that has been in 'Hold' status for more than seven days. A hold that runs past the due date is a late payment, and the vendor needs a call before they start adding surcharges.

## TRAPS

- Paying in batch on a fixed calendar date regardless of individual terms. A Net 15 invoice paid on the 25th-of-month batch is late if received on the 5th.
- Including a payment in the tracker before the GRN is signed. A payment without a signed GRN is payment for goods not confirmed received. The tracker only includes payments whose GRN exists.
- Treating early payment as a sign of good relationship management. Paying 17 days early on a Net 30 is a \$4,200 interest-free loan to the vendor. That cash had a better use.

# Appendixes

## Appendix A — Early-Payment Discount Calculation

Standard terms format: 2/10 Net 30

Meaning: 2% discount if paid within 10 days; otherwise full amount due in 30 days.

Annualized return of taking the discount:

$$= (\text{Discount \%} / (100 - \text{Discount \%})) \times (365 / \text{Days saved})$$

$$= (2 / 98) \times (365 / 20)$$

$$= 0.0204 \times 18.25$$

$$= 37.2\% \text{ annualized}$$

Decision rule:

If annualized return > your cost of capital (or short-term borrowing rate) -> take the discount

If annualized return < your cost of capital -> pay on due date

Common discount structures and their annualized equivalents:

1/10 Net 30 : ~18.4% annualized

2/10 Net 30 : ~37.2% annualized

2/10 Net 60 : ~14.9% annualized

3/10 Net 30 : ~55.7% annualized

## Appendix B — DPO Calculation (for quarterly reporting)

Days Payable Outstanding (DPO):

$$= (\text{Ending Accounts Payable} / \text{Cost of Goods Sold}) \times \text{Days in Period}$$

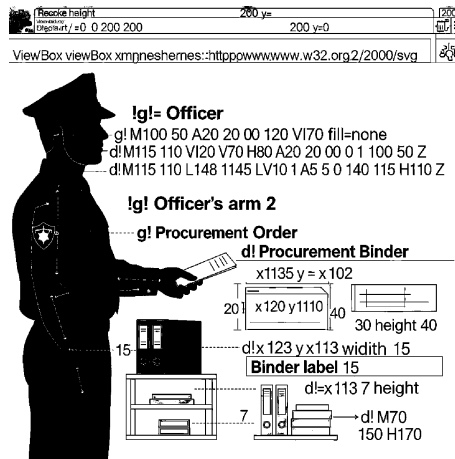
Example: AP balance at quarter-end \$14,000; COGS for quarter \$210,000; 91 days

$$\text{DPO} = (14,000 / 210,000) \times 91 = 6.07 \text{ days}$$

A DPO below your average payment terms means you are paying earlier than required.

A DPO above your average payment terms means you are paying late.

Target: DPO = weighted average of your agreed payment terms across vendors.



WHERE THIS WORKSHEET COMES FROM

## Procurement Best Practices

*Every Rupiah Paid to a Vendor Starts With a Decision Before Signing*

by Ibrahim Anwar

This worksheet is one of nine in the *Procurement Best Practices* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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