

Statements of Account

Key Point



A statement of account shows all the invoices and any credit notes that have been issued during the month and the balance of the money owing. It is basically a summary of all the different transactions which have taken place between 2 organisations and a reminder of the total amount which must be paid.

Completing the document:

Every statement of account needs to include:

1. Customer name, account number and address.
2. credit limit.
3. date of the statement
4. Date of when each transaction took place
5. details – whether an invoice or credit note was sent, if there was any payments made.
6. Balance owing –put into the details column to show balance owed at beginning of the month or billing period.
7. Debit column – money owing to the supplier.
8. Credit Column – money received by the supplier.
9. Balance –(AKA Running Balance) amount now due, changes with each transaction.
10. Total Balance- the final balance throughout the running balance.

Look out for the following mistakes

- Carrying forward an incorrect balance
- Omitting a transaction.
- Confusion between debit and credit.
- Miscalculating the running balance.

