

# A/R Turnover Ratio Template

## 1. Calculate Average A/R Balance

<b>Beginning A/R Balance</b>		Enter the A/P balance as of January 1 or the beginning of the period.
<b>Ending A/R Balance</b>		Enter the A/P balance as of December 31 or the end of the period.
<b>Total</b>		This figure will automatically calculate, do not enter anything in this field.
<b>Divided by 2</b>	2	This will always be 2, do not change this field.
<b>Average A/R Balance for the period</b>		This figure will automatically calculate, do not enter anything in this field.

## 2. Calculate A/R Turnover Ratio

<b>Net Sales</b>		Enter total purchases for the period, generally one year.
<b>Divided by Average A/R Balance for the period</b>		This field will automatically take your Avg A/P Balance from step 1 (above).
<b>A/R Turnover Ratio</b>		This figure will automatically calculate, do not enter anything in this field.