

# MONTH-END CLOSING CHECKLIST

## Ensuring Accurate, Compliant, and Strategic Financials

### 1. Reconcile Accounts

- ☐ Reconcile all bank accounts and ensure balances match statements
- ☐ Reconcile credit card statements to internal records
- ☐ Reconcile merchant accounts & payment processors (e.g., PayPal, Stripe, Square)
- ☐ Investigate and resolve any discrepancies

### 2. Ensure General Ledger is Reconciled with Sub-Ledgers

- ☐ Match accounts receivable (AR) sub-ledger to the general ledger
- ☐ Match accounts payable (AP) sub-ledger to the general ledger
- ☐ Match fixed asset sub-ledger to depreciation schedules
- ☐ Verify inventory balances against inventory sub-ledger

### 3. Reconcile Intercompany Accounts (if applicable)

- ☐ Reconcile all intercompany transactions between entities
- ☐ Ensure eliminations are properly recorded for consolidation
- ☐ Adjust for currency exchange differences, if necessary

### 4. Review Accounts Receivable

- ☐ Generate an aged accounts receivable report
- ☐ Follow up on outstanding invoices and send reminders
- ☐ Write off any uncollectible receivables if necessary
- ☐ Ensure customer payments are properly recorded

### 5. Review Accounts Payable

- ☐ Generate an aged accounts payable report
- ☐ Ensure all vendor bills received are recorded
- ☐ Verify that all approved expenses are entered into the system
- ☐ Schedule upcoming payments to maintain cash flow



## **6. Record & Review Payroll**

- ☐ Verify payroll has been processed correctly
- ☐ Reconcile payroll expenses with bank statements
- ☐ Ensure all tax withholdings are recorded properly
- ☐ Accrue any earned but unpaid wages if applicable

## **7. Review Revenue & Expenses**

- ☐ Match sales & revenue to bank deposits and invoices
- ☐ Categorize expenses correctly in the accounting system
- ☐ Check for duplicate or missing transactions
- ☐ Allocate prepaid expenses and recognize deferred revenue

## **8. Inventory & Cost of Goods Sold (COGS) (if applicable)**

- ☐ Perform a physical inventory count and reconcile with books
- ☐ Adjust COGS based on actual sales
- ☐ Identify and adjust for any damaged, lost, or obsolete inventory

## **9. Review Key Financial Ratios for Insights & Trends**

- ☐ Liquidity Ratios: Current Ratio, Quick Ratio
- ☐ Profitability Ratios: Gross Margin, Net Profit Margin
- ☐ Efficiency Ratios: Accounts Receivable & Payable Turnover
- ☐ Debt Ratios: Debt-to-Equity, Interest Coverage
- ☐ Cash Flow Analysis: Operating, Investing, Financing Cash Flows
- ☐ Identify financial trends, risks, and opportunities

## **10. Review Financial Statements**

- ☐ Generate & review the Profit & Loss Statement
- ☐ Generate & review the Balance Sheet
- ☐ Generate & review the Cash Flow Statement
- ☐ Identify unusual variances and investigate anomalies

### 11. Adjust Journal Entries

- ☐ Record depreciation & amortization
- ☐ Adjust for prepaid expenses & accruals
- ☐ Recognize unearned revenue adjustments
- ☐ Ensure loan interest & principal are correctly allocated

### 12. Sales Tax & Compliance Check

- ☐ Verify sales tax collected and ensure proper reporting
- ☐ Prepare sales tax filings and submit on time
- ☐ Check for any local, state, or federal tax obligations
- ☐ Ensure contractor payments are properly recorded for 1099 filing

### 13. Backup & Documentation

- ☐ Backup accounting data and store securely
- ☐ Save copies of financial reports for records
- ☐ Ensure all supporting documents (invoices, receipts, contracts) are attached
- ☐ Document any month-end notes for reference

### 14. Management Review & Strategy

- ☐ Discuss financial results with management or CFO
- ☐ Identify trends & opportunities for growth
- ☐ Ensure financials align with budget & forecast goals
- ☐ Set financial priorities for the upcoming month

### 15. Close the Period & Lock Books

- ☐ Close the accounting period to prevent retroactive changes
- ☐ Lock financials to ensure no unauthorized modifications
- ☐ Communicate finalized reports to stakeholders

### Final Best Practices

- ✓ Set a consistent month-end close schedule
- ✓ Automate where possible (bank feeds, invoicing, payroll)
- ✓ Use checklists and documentation for consistency
- ✓ Regularly analyze financial KPIs to guide decision-making