Month-end close checklist

United States edition

Groups 1 to 3 go to the client. Groups 4 to 7 are yours. Replace [month] with the month you are closing.

1. FROM THE CLIENT — STATEMENTS

- [ ] [Month] statements for every bank account, including any opened this month
  Bank feeds drop transactions and sometimes duplicate them. The statement is what you reconcile to, not the feed.
- [ ] [Month] statements for every credit card, including cards held by staff
- [ ] Loan and line-of-credit statements showing principal, interest and the closing balance
  The feed shows one payment. The statement splits it between principal and interest, which is what the books need.
- [ ] PayPal, Stripe, Square or other payment account statements
- [ ] Statements for any account you have not shared with us before

2. FROM THE CLIENT — SALES AND EXPENSES

- [ ] Payout reports from Shopify, Amazon or other sales platforms for [month]
  Platforms deposit sales net of fees, refunds and chargebacks. The payout report is how you record the gross sale and the fees separately.
- [ ] Receipts for card and bank charges over $[amount], or any you are unsure about
  IRS Publication 583 lists receipts, paid bills, invoices and deposit slips as the supporting documents behind entries in the books. Set a threshold with the client so the list stays short.
- [ ] Bills received this month that are not yet paid
- [ ] Invoices issued outside the accounting system, if any
- [ ] A W-9 from any new contractor paid this month
  Collected now, it saves a January chase when the 1099s are due.

3. FROM THE CLIENT — PAYROLL AND QUESTIONS

- [ ] Payroll register and the payroll provider's tax liability report for [month]
- [ ] Anything unusual this month (new loan, asset bought or sold, lawsuit, insurance claim)
  The bank feed will show the money moving but not what it was for. One line from the client saves a week of guessing.
- [ ] Personal expenses paid from the business account, or business costs paid personally

- [ ] Answers to last month's open questions

4. RECONCILE

- [ ] Reconcile every bank and credit card account to the statement ending balance
- [ ] Reconcile loan balances to the lender's statement
- [ ] Reconcile payment processor and sales platform clearing accounts to zero or to the payout in transit
- [ ] Clear the uncategorized and suspense accounts, or list what is left and why
- [ ] Review old uncleared items on each reconciliation, and follow up anything over [number] days

5. RECORD WHAT THE FEED DOES NOT SHOW

- [ ] Accrue expenses incurred but not yet billed, such as utilities or contractor hours
- [ ] Record revenue earned but not yet invoiced, if the client reports on an accrual basis
- [ ] Amortize prepaid expenses, such as annual insurance or software, for the month
- [ ] Record depreciation for the month from the fixed asset schedule
- [ ] Record loan interest, and split the loan payments between principal and interest
- [ ] Reverse last month's accruals if your software does not do it automatically

6. PAYROLL AND SALES TAX LIABILITIES

- [ ] Agree the payroll liability accounts to the payroll provider's reports
  A monthly schedule depositor deposits employment taxes by the 15th of the following month (IRS Publication 15), so a balance older than that is worth a question.
- [ ] Agree sales tax payable to the sales tax report, by jurisdiction
- [ ] Record sales tax filed and paid during the month
- [ ] Check that the sales tax collected matches what the sales platforms report

7. REVIEW AND LOCK

- [ ] Compare the P&L with last month and the same month last year, and explain large changes
  This is where a missed bill, a duplicated deposit or a miscoded expense shows up. Anything you cannot explain goes back to the client as a question.
- [ ] Review the balance sheet line by line for balances that look wrong
- [ ] Review the AR and AP aging for old or negative balances
- [ ] Check owner draws and distributions are recorded as equity, not expense
- [ ] Lock the period in the accounting software with a closing date
  Without a lock, a client or a colleague can post into a closed month, and the reports you sent stop matching the books.
- [ ] Send the client the P&L, balance sheet and the list of open questions

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