

Month-end close checklist

Send the first group to the client on the first day of the close. Work the other groups in order and tick each line when its document or check is done.

Client or engagement

Request from the client on day one

- ☐ Bank statements for every business account
Checking, savings and money market, full month, PDF from the bank.
- ☐ Credit card statements for every business card
Statement covering the month, including employee cards.
- ☐ Loan and line of credit statements
Showing the ending balance and the principal and interest split.
- ☐ Mortgage statement for any business property
Monthly statement with principal, interest and escrow.
- ☐ Card processor and online store payout reports
Gross sales, fees, refunds and payouts for the month.
- ☐ Investment or brokerage account statements
Only if the business holds cash or securities there.
- ☐ Payroll register and pay stubs
Every pay date in the month, from the payroll provider.
- ☐ New contracts, leases or loan agreements
Anything signed this month that changes what the business owes.

Reconcile

- ☐ Reconcile each bank account to its statement
List outstanding checks and deposits in transit.
- ☐ Reconcile each credit card to its statement closing balance
- ☐ Match loan balances to the lender statement
Book the interest part of each payment as expense.
- ☐ Clear the processor clearing account
Gross sales less fees and refunds should equal payouts.
- ☐ Match transfers between the client's own accounts

Code what is still uncategorized

- ☐ Send the client the list of unclear transactions
Date, amount and payee for each line, with one question each.

- ☐ Collect receipts for card charges and cash spending
- ☐ Collect vendor invoices for bills paid this month
- ☐ Flag personal charges and book them to owner draws

Receivables, payables and payroll

- ☐ Review the accounts receivable aging
Follow up on old balances and check for payments not applied.
- ☐ Check that customer invoices match recorded sales
- ☐ Review the accounts payable aging
Enter bills received but not yet recorded.
- ☐ Tie payroll expense and liabilities to the payroll register
Gross pay, employer taxes, withholdings and net pay.
- ☐ Update contractor payment totals for Form 1099-NEC
Check that a Form W-9 is on file for each contractor and note its entity type: corporations are generally exempt, except attorneys.

Taxes, accruals, assets and equity

- ☐ Compare sales tax payable to tax charged on sales
Filing schedule and rates depend on the client's state.
- ☐ Record accrued expenses and deferred revenue
Accrual basis only.
- ☐ Move this month's share of prepaid expenses to expense
Accrual basis only.
- ☐ Apply the client's capitalization policy to large purchases
Expense items under the de minimis safe harbor if elected; capitalize the rest.
- ☐ Record fixed asset additions and depreciation
From the purchase invoice: date, price and description.
- ☐ Book owner draws and contributions to equity

Review, lock and report

- ☐ Compare the profit and loss to the prior month and prior year
Explain every line that moved more than the firm's variance threshold.
- ☐ Check that every balance sheet account has support
A statement, schedule or reconciliation for each balance.
- ☐ Lock the period or set the closing date in the software
- ☐ Save statements, reconciliations and reports to the month folder
- ☐ Send the client the reports and the open questions
- ☐ Preparer and reviewer initials and dates on the close