ACTION ACCOUNTING

Month-End Closing Checklist for Bookkeepers

A practical checklist to help ensure financial records are accurate, reconciled, and ready for the next month.

A month-end closing checklist is essential for ensuring that all financial records are accurate and up-to-date before transitioning to the new month. Use this checklist to review key bookkeeping tasks, identify discrepancies, and maintain clean, reliable financial records.

15	3	100+
Checklist Sections	Optional Bonus Items	Checklist Items

This checklist is for general informational purposes only and does not constitute tax, accounting, or legal advice. Please consult a qualified professional for guidance specific to your business.

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1. RECONCILE BANK ACCOUNTS

- Verify that all bank statements for the month have been received.
- Reconcile all bank accounts, comparing the bank statement to the accounting records (e.g., QuickBooks or Xero).
- Ensure all deposits and withdrawals are accurately recorded.
- Investigate any discrepancies between the bank statement and accounting records.

2. RECONCILE CREDIT CARD ACCOUNTS

- Review all credit card statements for the month.
- Reconcile credit card transactions with accounting records.
- Ensure proper categorization of expenses (e.g., travel, office supplies, meals, subscriptions, software).
- Make sure all payments made toward credit cards are recorded.

3. REVIEW ACCOUNTS RECEIVABLE

- Verify that all customer invoices for the month have been issued.
- Ensure that payments for the month are recorded.
- Review aging reports and follow up on overdue accounts.
- Write off any uncollectible accounts, if applicable.
- Reconcile the records with statements received from customers, if available.

4. REVIEW ACCOUNTS PAYABLE

- Confirm that all vendor invoices have been recorded.
- Ensure payments made to vendors are properly reflected in the books.
- Review any outstanding payables and follow up on overdue accounts.
- Ensure any accruals or prepaid expenses are recorded.
- Reconcile the records with statements received from vendors, if available.

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5. VERIFY PAYROLL

- Ensure that all employee wages, salaries, and deductions have been correctly recorded.
- Confirm that payroll taxes have been calculated and paid.
- Verify that any employee reimbursements or bonuses have been processed.
- Ensure that payroll expenses are allocated to the appropriate accounts.

6. JOURNAL ENTRIES

- Post any necessary journal entries, such as accruals, depreciation, and amortization.
- Review any entries from the previous month to ensure they are correct.
- Make sure all transactions have been categorized correctly, including income, expenses, assets, liabilities, and equity.

7. DEPRECIATION AND AMORTIZATION

- Calculate depreciation for fixed assets and amortization for intangible assets.
- Record necessary journal entries for depreciation and amortization expenses.

8. INVENTORY AND COST OF GOODS SOLD

- Conduct an inventory count or verify that inventory balances match.
- Ensure that all inventory purchases are recorded.
- Calculate and record the cost of goods sold for the month.
- Adjust inventory records for shrinkage, damage, or returns, if applicable.

9. REVIEW FINANCIAL STATEMENTS

- Review the Profit and Loss Statement for accuracy.
- Review the Balance Sheet to ensure that assets, liabilities, and equity are balanced.
- Analyze key financial metrics (gross margin, operating expenses, cash flow, net income) for any irregularities.
- Compare current-month financials to prior periods and budgets for any significant variances.

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10. ADJUST FOR PREPAID EXPENSES AND ACCRUALS

- Ensure that any prepaid expenses are properly adjusted, such as insurance premiums, subscriptions, and retainers.
- Record any accrued expenses, such as unpaid utility bills, rent, payroll, or contractor costs, that need to be recognized in the current month.

11. TAX PREPARATION

- Review sales tax, payroll tax, and any other taxes for the month.
- Ensure that sales tax is accurately calculated and recorded.
- Ensure that any tax payments, such as sales tax or income tax payments, are recorded properly.

12. REVIEW AND RECONCILE LOAN AND LEASE ACCOUNTS

- Ensure that all loan or lease payments have been recorded.
- Reconcile any discrepancies in loan or lease balances.
- Record any interest or principal payments that have been made.

13. REVIEW AND UPDATE BUDGET AND FORECASTS

- Compare actual performance to budgeted numbers for the month.
- Update forecasts based on current financial data.
- Analyze any discrepancies and prepare explanations for variances.

14. BACKUP FINANCIAL DATA

- Back up all accounting files and data to a secure location (e.g., cloud storage or an external drive).
- Ensure that all records are up-to-date and easily accessible for future reference.

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15. PREPARE FOR NEXT MONTH

- Ensure that all documents are properly filed, organized, and ready for the next month.
- Review the upcoming month's key tasks, such as expected invoices or recurring expenses.
- Schedule next month's key dates, including deadlines for payments, payroll, and tax filings.

OPTIONAL ITEMS

- Review and update any intercompany transactions, if applicable.
- Perform an internal audit for accuracy and completeness of financial records.
- Review any outstanding legal or contractual obligations that may affect finances.

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Need help keeping your books clean and month-end ready?

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Schedule a Bookkeeping Review

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