

Month-end close checklist

A well organized month-end close checklist ensures that all necessary tasks are completed accurately and on time.

Gather this info first

Total income/revenue

Knowing your total income helps you gauge how well the business is doing.

Accounts receivable

These are the funds you're expecting but haven't received yet. Keeping an eye on these helps ensure you're not missing out on any cash that's supposed to be coming your way.

Bank accounts and statements

Your financial truth lies here. Regular checks keep you in sync with your actual cash position.

Expense receipts and supplier invoices

These help trace where your money went. Keeping them organized is important to understanding your expenses.

Petty cash totals

Even small expenses can add up. Keeping track of petty cash prevents these small expenses from becoming big surprises.

Inventory total

For businesses with physical products, this is key for knowing what you have, what you need, and what you can do without.

Month-end close steps

- **Create a closing schedule**
Set clear deadlines to keep everyone on track and avoid last-minute scrambles.
- **Record sales**
(income, revenue, accounts receivable)
Ensure all cash, checks, merchant accounts, and account deposits from customers are logged accurately.
- **Reconcile expenses**
(vendor statements, supplier invoices, accounts payable)
Match every penny spent with its corresponding receipt or invoice. Cross-check supplier invoices against processed payables and statements.
- **Record petty cash**
Tally all petty cash receipts for miscellaneous expenditures and record the total for the month.
- **Record customer invoices and payments**
Log all pending customer account invoices and payments/credits to update accounts receivable.

Month-end close steps



Review assets and liabilities

Reconcile changes to assets and liabilities like loans, accrued expenses, deferred revenue, and equipment.



Reconcile bank statements

Compare your records with the banks to catch discrepancies.



Count inventory

Accurately count inventory in order to prevent overstocking and understocking. Investigate any product losses or damages.



Reconcile income and payroll

Ensure income matches payroll expenses for accurate budgeting and planning.



Prepare financial reports

Construct monthly reports analyzing profit and loss, balance sheet, cash flow, and KPIs for business review and planning.