

The month-end close checklist

For one month's books, in the order we work: 27 items in 5 groups.

1. Gather what the month needs

- ☐ Download statements for every bank, credit card and loan account
Bank feeds bring in transactions, but the statement holds the closing balance you reconcile to.
- ☐ Pull payout and settlement reports from Shopify, Amazon, Stripe, Square or PayPal
The deposit in the bank is a net figure. The report shows the sales, fees, refunds and sales tax inside it.
- ☐ Collect receipts and bills over your agreed threshold
- ☐ Download the payroll register and tax summary for each pay run
- ☐ Note anything new: an account, loan, employee, sales channel or state
New things are where categories usually go wrong.

2. Record and categorize

- ☐ Clear the bank feed so every transaction is matched or categorized
- ☐ Empty Uncategorized income, Uncategorized expense and any "Ask my accountant" account
- ☐ Enter the bills and invoices dated in the month
- ☐ Book sales channel payouts gross: sales, fees, refunds and sales tax on separate lines
- ☐ Split loan payments into principal and interest from the lender's statement
- ☐ Record owner draws and contributions in equity, not as expenses or income

3. Reconcile

- ☐ Reconcile every bank account to its statement ending balance
- ☐ Reconcile every credit card to its statement
Card statements often close mid-month. Reconcile to the statement date and pick up the rest next month.
- ☐ Bring each payout clearing account back to zero, or to the payouts still in transit
- ☐ Agree every loan balance to the lender's statement
- ☐ Tie payroll liabilities to the payroll provider's reports
- ☐ Tie sales tax payable to your sales tax report for the period

4. Adjust and review

- ☐ Record the month's adjustments: depreciation, prepaid expenses used up, bills still to arrive
Accrual books need these monthly. Many cash-basis businesses book them once a year.
- ☐ Review the receivables aging and follow up overdue invoices
- ☐ Review the payables aging and confirm what is due in the next 30 days
- ☐ Compare the profit and loss with last month and the same month last year, and explain any big swing
- ☐ Scan the balance sheet for balances that look wrong
Negative cash, old undeposited funds, or a suspense account that never clears.

5. Report and lock

- ☐ Run the profit and loss, balance sheet and a cash summary for the month
- ☐ Write three lines: what changed, what was unusual, what needs a decision
- ☐ Save the reports and reconciliation reports in one dated folder
- ☐ Set the closing date in QuickBooks Online or the lock date in Xero
It stops anyone changing the month by accident after you have read the reports.
- ☐ Put next month's filing dates on the calendar: sales tax, payroll deposits, estimated taxes