

# Month End Close Checklist

Company Name:	Month:	Year:
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## Step 1 -- Trial Balance

- Run a Trial Balance before you begin. Be sure debits and credits are in balance.

## Step 2 -- Reconcile

✓	Account	QuickBooks Users	Non-QuickBooks Users
	Reconcile ALL Cash Accounts	Use Reconcile feature in QuickBooks comparing to bank statement	Verify transactions against statements provided by bank
	Reconcile Petty Cash	Compare trial balance to petty cash log	
	Reconcile Accounts Receivable	Run Accounts Receivable Aging report and check the balance on the report against that listed in the trial balance	
	Reconcile Employee Receivables	Total employee receivable ledgers and reconcile, compare to trial balance	
	Review Fixed Assets	Review Fixed Assets account balances against Fixed Asset Schedule	
	Reconcile Accounts Payable	- Run an Accts Payable Aging report and check the balance on the report against that listed in the trial balance. - Verify Vendor Statements and A/P Aging Report.	
	Reconcile Credit Card Accounts	Use Reconcile feature in QuickBooks comparing to credit card statement	Verify transactions against statement provided by lender
	Reconcile Customer Deposits	Use Reconcile feature in QuickBooks, compare to job log	Verify that all items are accounted for against job log
	Reconcile Prepaid Maintenance Agreements	Use Reconcile feature in QuickBooks	Compare to Prepaid Maintenance Agreement Log
	Reconcile Payroll Liability accounts	Use Reconcile feature in QuickBooks, then compare balances against the Pay Payroll Liabilities screen in QuickBooks	Start with the beginning balance, add all withholdings, subtract payments made and this results is the ending balance that should tie to the general ledger account
	Reconcile Sales Tax Payable	Start with the beginning balance, add all taxes withheld, subtract payments made and this results is the ending balance that should tie to the general ledger account	
	Reconcile Line of Credit and Notes Payable	Compare to the bank loan statement. If a bank loan statement is not available, ask the bank to provide you with an amortization schedule	
	Audit Service Tickets	Compare service ticket log to accounting software to verify that all service tickets that have been checked out have been received back and invoiced. All outstanding service tickets must be accounted for.	
	Audit Job Log	Verify that each job that is highlighted as complete in the job log has also been invoiced in the accounting software. Research any incomplete job to see if Work in Process should be recorded. **The owner should be notified of all incomplete work	

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## Step 3 -- Adjusting Entries:

- Inventory – make a journal entry to correct for ending physical inventory count. This process should be performed at minimum quarterly.
- Prepaid Asset Accounts – create journal entry to move used portion to the appropriate expense account monthly
- Accumulated Depreciation – make an estimated monthly depreciation entry as per depreciation schedule provided by accountant. Keep a fixed asset schedule to ask your accountant to update as you purchase a new fixed asset to determine any changes in this amount.
- Accrue Payroll and Create reversing entry
- Inter-Company Billing (if QB user, verify all entries correctly made). Compare to 8 for 10 reporting if in use.
- Work In Process Adjustment and Create reversing Entry

## Step 4 -- Make final Profit & Loss corrections:

- Run a Profit and Loss by Class
  - o All items in the unclassified section listed in Revenue/Sales or Cost of Goods sold must be drilled down on and correctly posted to a class.
- Payroll taxes –
  - o Any taxes listed in the Cost of Goods Sold unclassified column must be journal entered to the proper class. To allocate payroll taxes appropriately, drill down on the unclassified column to see the labor source and adjust accordingly.
  - o If allocating overhead labor (example: Payroll Admin, Supervision, Sales), the payroll taxes will appear in the direct labor COGS under the correct class. These dollars must be journal entered to the appropriate **overhead account**.
    - Pull your Profit and Loss by class for the month. Double-click on the payroll tax account for the first class. Export this information to excel. Eliminate all Direct Labor employees from the list. Add the sum the remaining entries to get the total amount you need to journal entry to overhead. Repeat this process for each class.
- Commissions – Listed in Cost of Goods Sold unclassified column should be journal entered to the proper class. Drill down on the entry to see the labor source and adjust accordingly.
- Run a Trial Balance – confirm debits still equal credits
- Close the month and set password (if possible) – Password \_\_\_\_\_
  - o *QuickBooks users* - Go to *edit < preferences < accounting < company preferences*. From here you can change the closing date and set a new password. This will prevent anything from being entered prior to this date.
  - o *All users* - We recommend you use the password CALL BDR to remind you that if you do backpost, you must provide new reports to BDR for all periods affected.

## Step 5 – Final Reporting (for management)

- Balance Sheet
- Profit and Loss by class
  - o In the customize option, be sure “Accrual” is selected and the “percentage of income box is checked.

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_