The Small Business Monthly Close Checklist

30 practical checks for accurate books, better reporting, and fewer financial surprises.

Business: _____ **Month:** _____ **Owner:** _____

Target: Complete your close by the **10th business day** of the following month, adjusted for the complexity of your business and availability of records.

FOUNDATION | Get the books accurate and complete

1 Capture transactions

- ■ Record all customer invoices, sales, deposits, and other income.
- ■ Enter vendor bills, employee reimbursements, and business expenses.
- ■ Record payroll, employer taxes, and related liabilities.
- ■ Review uncategorized and duplicate transactions.
- ■ Confirm transactions are posted to the correct reporting period.

2 Reconcile cash and payment accounts

- ■ Reconcile every bank account to its statement.
- ■ Reconcile all business credit cards.
- ■ Reconcile merchant processors and payment clearing accounts, if used.
- ■ Investigate unreconciled differences and stale outstanding items.

3 Review receivables and payables

- ■ Review accounts receivable aging and overdue invoices.
- ■ Investigate credits, unapplied receipts, and unusual customer balances.
- ■ Review accounts payable aging and overdue vendor bills.
- ■ Confirm known unpaid obligations are recorded in the proper period.

4 Validate the balance sheet

- ■ Reconcile loans and other significant liabilities to statements.
- ■ Review prepaid expenses, fixed assets, and inventory, where applicable.
- ■ Record supported accruals, depreciation, and amortization as needed.
- ■ Investigate unusual negative balances and unexplained changes.

INSIGHT | Turn the numbers into decisions

5 Analyze operating results

- ■ Review profit and loss and compare with the prior month.
- ■ Compare actuals with budget or forecast, if maintained.
- ■ Investigate significant revenue, expense, and margin variances.
- ■ Check for misclassifications or one-time items affecting results.

6 Review cash flow and upcoming obligations

- ■ Review cash inflows, outflows, and ending available cash.
- ■ Identify upcoming payroll, taxes, debt service, and large payments.
- ■ Assess overdue collections and short-term cash needs.
- ■ Update a cash-flow forecast if one is maintained.

7 Finalize, review, and communicate

- ■ Review and approve material adjusting journal entries.
- ■ Prepare final profit and loss and balance sheet reports.
- ■ Prepare a cash-flow statement and management summary, if appropriate.
- ■ Document open issues, owners, and deadlines for resolution.
- ■ Share results with management and lock the period after approval.

5 warning signs your books are not ready to close

- ! Bank or credit-card balances do not reconcile.
- ! Uncategorized transactions or unexplained suspense balances remain.
- ! Customer or vendor aging contains old, incorrect, or negative items.
- ! Loan, payroll, or sales-tax liabilities do not agree with supporting records.
- ! Financial results show large unexplained changes month over month.

Close sign-off

Completed on: _____ **Reviewed by:** _____ **Open items:** _____

Most important issue to address next month: _____

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Educational checklist only. Procedures vary by industry, accounting basis, and business complexity.