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The Monthly Close Checklist

A repeatable 15-step close, in the order that avoids rework. Businesses that follow a written close checklist routinely finish in days, not weeks. Work top to bottom; each section depends on the one before it.

Before you start (day 1)

01 ☐ **Set the close date**
Pick a fixed business day (e.g. the 5th) and treat it like a client deadline.

02 ☐ **Confirm all statements are available**
Bank, credit card, loan, and merchant processor statements for the full month.

03 ☐ **Chase missing documentation now**
Receipts, bills, and payroll reports requested on day 1, not day 4.

Cash and reconciliation (days 1-2)

04 ☐ **Reconcile every bank account**
Match the bank statement to the books; investigate anything unmatched over a set threshold.

05 ☐ **Reconcile every credit card**
Same standard as bank accounts. Cards are where personal expenses hide.

06 ☐ **Reconcile merchant processor deposits**
Gross sales minus fees should tie to deposits. Book the fees, not the net.

07 ☐ **Review undeposited funds**
This account should trend to zero. A growing balance means broken workflow.

Revenue and expenses (days 2-3)

08 ☐ **Review revenue recognition**
Invoices issued for all completed work; deferred revenue adjusted if you bill ahead.

09 ☐ **Categorize every transaction**
No balance sitting in Uncategorized or Ask My Accountant at close.

10 ☐ **Book payroll correctly**
Gross wages, employer taxes, and benefits split out, not one blob from the payroll provider.

11 ☐ **Accrue what happened but has not billed**
Known expenses without a bill yet get accrued so the month reflects reality.

Review and lock (days 3-5)

12 ☐ **Run the three statements**
P&L;, balance sheet, and cash flow. The balance sheet is where errors surface.

13 ☐ **Scan the P&L; against last month**
Any line that moved more than expected gets one sentence of explanation.

14 ☐ **Review balance sheet accounts**
Every balance should be explainable. Mystery balances are next month bigger problems.

15 ☐ **Lock the period**
Close the books in your accounting software so history stops moving.

The test of a good close

If someone asked "why did net income change from last month," you should be able to answer in three sentences using only the locked statements. If you cannot, the close is not done.