

MONTHLY CLOSING CHECKLIST



MONTH: _____ YEAR: _____

	PREPARER INITIALS	DATE
CASH		
Reconcile bank accounts and verify that bank balance on bank reconciliation agrees with respective bank statement balance.		
Verify cash reflected on trial balance agrees to ending cash balance on bank reconciliation.		
Review outstanding checks and deposits for old transactions that may need to be voided.		
UNDEPOSITED FUNDS		
Balance in account should be reconciled to specific deposits clearing in the next month.		
Verify all undeposited funds from prior month have cleared in current month.		
ACCOUNTS RECEIVABLE		
Run accounts receivable aging report and verify that total agrees with balance on trial balance.		
Determine whether any past due balances need to be written off.		
Review accounts receivable aging for any unapplied credits.		
INVENTORY		
Compare inventory total to trial balance. Prepare & post adjustment if necessary.		
Determine if any obsolete inventory exists that needs to be written off.		
FIXED ASSETS		
Identify fixed asset additions and disposals during the period and document the following: <ul style="list-style-type: none"> • Acquisition / disposal date • Asset description • Proceeds received on sale / disposal 		
Reconcile balance sheet account balances to depreciation schedule cost and accumulated depreciation totals.		
Verify depreciation expense has been properly recorded.		
RECONCILE INTERCOMPANY ACCOUNTS		
Verify that intercompany payables and receivables have same balance in each entity's books.		
PREPAID EXPENSES		
Verify balances agree to a supporting schedule and can be traced to payments for items paid for in advance.		
Determine reasonable amount has been recognized as monthly expense.		
NOTES RECEIVABLE		
Verify ending account balance agrees with the related loan amortization schedule.		

	PREPARER INITIALS	DATE
ACCOUNTS PAYABLE		
Run accounts payable aging report and verify that total agrees with balance reflected on trial balance.		
Review accounts payable aging for unapplied credits.		
ACCRUED PAYROLL AND VACATION		
Trace balance in account to supporting payroll records for vacation payable and payroll accrual for the respective month.		
Determine correct amount of days' pay in accrual when calculating liability.		
ACCRUED PROPERTY TAX		
Verify monthly accrual is equal to 1/12 of prior year expense.		
ACCRUED SALES TAX		
Balance in liability account agrees to respective sales tax reports filed the following month.		
ACCRUED PAYROLL TAXES		
Trace to the payroll tax returns filed in the following month (state) and/or tax payments made next month for a current month payroll.		
OTHER PAYROLL LIABILITIES		
Verify that any balances in this account(s) agree with liabilities or withholdings unpaid by month-end (for example, health insurance, 401k, etc.).		
NOTES PAYABLE-BANK		
Reconcile bank balance to book balance in the note account with amortization schedules or statements received from the bank or other lender.		
Determine if monthly interest expense has been properly recorded.		
EQUITY		
Verify that owners' personal expenses are recorded properly in the drawing account or in owner receivable account.		
Verify that retained earnings or capital agree with balances on prior year tax return.		
EXPENSES - Review the detail of the following accounts to verify proper classification. (not limited to this list)		
Repairs – check for expenditures that should be capitalized rather than expensed.		
Supplies – check for expenditures that should be capitalized (equipment, fixtures, etc.)		
Miscellaneous expense – this amount should be minimal; check for items that could be classified to another account.		
Miscellaneous income – review entries to verify that no changes are needed such as reclassification to another account.		
Scan general ledger to verify accuracy of entry classification in other accounts.		

This list is meant to be a guide to the month-end closing process. It is general but can be tailored to your specific situation and needs. We are available to help with this month-end process and look forward to working with you. If you need assistance with this process, please feel free to contact Stacie Brown at 601-326-1087 or stacie.brown@hornellp.com.