Month-end close checklist for small business books

A practical close for a business running QuickBooks Online or Xero. Work top to bottom. Tick a box only when the step is finished and you could show the source document. This is general guidance, not tax or legal advice. Ask your CPA about anything that affects a tax return.

Business	Period (month)	Prepared by	Reviewed by	Date

1. Collect

☐ Bank and credit card statements for the month, from the bank, not only the feed

☐ Loan and line-of-credit statements

☐ Payroll reports for the month (register, tax liability, deposits)

☐ Sales tax reports from the point-of-sale or e-commerce system

☐ Receipts or invoices for any transaction over your review limit, and any you could not identify

☐ Anything the owner or manager needs to explain (large, unusual or personal items)

2. Clean the transactions

☐ Every bank and card transaction is accepted and categorized

☐ Uncategorized, ask-my-accountant and suspense balances are zero, or listed with a reason

☐ Duplicates and transfers between your own accounts are cleared

☐ Owner draws, loan payments and personal items are not sitting in expenses

☐ Vendors and customers are consistent (no two names for the same payee)

3. Reconcile

☐ Every bank account agrees to the statement balance on the statement date

☐ Every credit card agrees to the statement balance

☐ Reconciliation differences are zero, or explained in writing

☐ Loan balances agree to the lender statement

☐ Payment processor and clearing accounts (Stripe, Square, PayPal) are reconciled and not carrying old balances

4. Tie out the liabilities

☐ Payroll liabilities in the books agree to payroll tax deposits and returns

☐ Sales tax payable agrees to the sales tax report and what was remitted

☐ Accounts payable lists match open bills; old items are reviewed

☐ Accounts receivable lists match open invoices; old items are reviewed

5. Review the reports

☐ Profit and loss for the month compared with the prior month and the same month last year

☐ Any line that moved more than your threshold has a reason written next to it

☐ Balance sheet has no negative cash, odd negative balances or unexplained equity changes

☐ Revenue agrees to a second source (sales reports or invoices)

6. Close and hand off

☐ The period is locked (closing date set) so old months cannot change by accident

☐ A short note lists open questions, assumptions and anything the owner needs to do

☐ Reports delivered in a consistent format: profit and loss, balance sheet, reconciliation summary

☐ Next month's calendar is set: payroll tax dates, sales tax dates, and the next statement collection

What a reviewer should check in 30 minutes

1. Reconciliation summary: balances agree and differences are zero.
2. Suspense and uncategorized accounts: zero or explained.
3. Payroll and sales tax liability: agree to the filings.
4. Profit and loss: unusual movements have a note.
5. Closing date: set.
6. The open-questions note: read it and answer it.

RazaPro prepares month-end closes for small businesses and accounting firms. razapro.com | hello@razapro.com