

Monthly Closing Checklist

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Month: _____ Year _____

| | Preparer Initials & Date | Reviewer Initials & Date |
|---|--------------------------------|--------------------------------|
| Cash | | |
| Verify 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. | | |
| Outstanding checks reviewed for old checks - may need to be voided. | | |
| Any unusual reconciling items identified and cleared in timely fashion in next month. | | |
| Undeposited Funds | | |
| Balance in account can be reconciled to specific deposits clearing in the next month. | | |
| Verify all undeposited funds from prior month have cleared in current month. | | |
| Accounts Receivable | | |
| Accounts receivable aging total agrees with balance reflected on trial balance. | | |
| Identify significant account balances past due and document collection status. | | |
| Determine whether any past due balances need to be written off. | | |
| Review accounts receivable aging for any unapplied credits. | | |
| Review credit memos issued during the month, determine proper authorization. | | |
| Customer Down Payments | | |
| Verify this account balance reconciles to customer listing. | | |
| Verify that sales related to deposits occur in the future. | | |
| Determine whether any receivables are uncollectible. | | |
| Inventory | | |
| Compare perpetual inventory total to trial balance. Identify / explain variances. | | |
| Review perpetual inventory listing for reasonableness (high quantities/dollars, etc). | | |
| 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: -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. | | |

| | | |
|---|--|--|
| Cash Value of Officer Life Insurance | | |
| Obtain cash surrender value and adjust balance to this amount. | | |
| Prepaid Expenses | | |
| Verify balances 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. | | |
| Determine if monthly interest income has been properly recorded. | | |
| Accounts Payable | | |
| Accounts payable aging total agrees with balance reflected on trial balance. | | |
| Review accounts payable aging for any unapplied debits. | | |
| Inventory Received Not Billed | | |
| Balance in account should be traced to supporting reports indicating which specific inventory items have been received, but for which there is no vendor invoice. | | |
| Review balance in account for reasonableness. | | |
| 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. | | |
| Accrued Property Tax | | |
| Verify monthly accrual is equal to 1/12 of prior year expense. At year end, adjust accrual to current year assessment. | | |
| Accrued Sales Tax | | |
| Balances in accounts agree to respective sales tax reports filed the following month. | | |
| Accrued Payroll Taxes | | |
| Trace to the payroll tax returns filed in the following month. | | |
| Accrued Expense | | |
| Verify any balances in this account can be traced to specific expense. | | |
| Notes Payable/Owner | | |
| Verify account balance agrees with amount due on the credit card statement. | | |
| Notes Payable/Bank | | |
| Reconcile bank balance to book balance in the note account. | | |
| Determine if monthly interest expense has been properly recorded. | | |

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