

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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