A monthly close you can run

A practical guide and editable workbook for US entrepreneurs and small finance teams. Turn transactions into reviewed numbers, a short exception list and clear owner decisions.

Your pack contains two files.
month-end-close-guide.pdf explains the workflow and examples.
month-end-close-workbook.xlsx contains the Close plan, Bank reconciliation and Exceptions working sheets.
Keep a separate copy for each reporting month.

Start with these five decisions

- Name the business/entity, reporting month, currency and accounting basis. Keep cash-basis and accrual-basis reports clearly identified.

- Choose a preparer and a reviewer. If one person keeps the books, arrange an owner or outside accountant review of key balances and adjustments.

- List every bank, card, processor and loan account, including inactive accounts with balances. Match the list to the ledger.

- Set your own document cutoff and report date. The workbook's calendar-day offsets are editable planning examples, not legal deadlines or an industry speed benchmark.

- Keep the accounting system as the ledger. This workbook coordinates work and supports reconciliations; it does not post journal entries.

What a finished close should leave behind

Reviewed reports for one consistent period and basis; a reconciliation or support schedule for each relevant balance; approved adjustments; and named owners for unresolved items. Organize invoices, statements and other supporting records so someone else can trace a number back to evidence. [C1, C2]

Use the workflow that fits your business. Inventory, payroll, intercompany and accrual tasks may not apply. Mark N/A with a reason instead of silently skipping them. Examples in this guide are hypothetical and are not client results.

Build an evidence-based checklist

Work in the order below, adapting owners and dates to your size and systems. These are RFS operating suggestions; the workbook provides the detailed task rows. [C1, C2]

Stage	Work to complete	Evidence to retain
Prepare	Confirm period, basis, accounts, owners and cutoff. Request missing documents.	Account list; document request; agreed calendar.
Record	Complete sales, bills, expenses and payroll posting through cutoff.	Source documents; payroll register; posting references.
Reconcile	Reconcile bank/cards; tie processor settlements, AR and AP to the ledger.	Statement reconciliation; settlement bridge; aging tie-outs.
Support	Review inventory, loans, assets, tax liabilities and owner/intercompany balances where relevant.	Counts; loan statements; asset and liability schedules.
Adjust	Review accruals, prepaids and deferred revenue when the accounting basis requires them. Approve entries.	Calculations; approval; dated journal IDs.
Review	Read financial reports and unusual changes. Assign decisions and investigate open differences.	Annotated reports; exception/action list.
Approve	Reviewer checks the evidence and accepts or escalates unresolved items. Set an appropriate close/lock date.	Named approval; exception rationale; software closing settings.
Archive	Save final reports and support. Carry unresolved actions into the next period.	Versioned close folder; named owners and due dates.

Use the workbook as a control

Enter period-end and a fixed review date, then assign tasks. Complete means the work is done, evidenced and reviewed. Do not use a completion percentage as a substitute for checking the substance. A due date is a plan, not proof that a balance is right.

Suggested folder pattern: YYYY-MM / bank-and-cards / receivables-payables / adjustments / reports / approvals. Store sensitive records in your controlled business repository; put references, not passwords or bank credentials, in the workbook.

Reconcile cash without a plug

Bank feeds and a zero-looking dashboard do not replace a statement reconciliation. Use the official statement ending date and the matching ledger period. The included worksheet is for bank deposit/cash accounts; reconcile credit-card liabilities in your accounting software. [C3, C4]

Bank side - hypothetical USD	Amount	Book side - hypothetical USD	Amount
Statement ending balance	24,800	Ledger balance before adjustments	26,920
Add: deposits in transit	3,200	Add: unrecorded interest	30
Less: outstanding payments	(1,150)	Less: unrecorded bank fee	(100)
Adjusted bank balance	26,850	Adjusted book balance	26,850

Difference = adjusted bank minus adjusted books = $0.
Post the supported $30 interest and $100 fee in the ledger, then recheck. Deposits in transit and outstanding payments are timing items already recorded in the books; do not post them a second time.

How to use the Bank reconciliation sheet

- Confirm the opening balance agrees to the previous approved reconciliation. Enter the statement ending balance and unadjusted ledger balance. Enter explicit zeros when true; missing balances should remain incomplete.

- Use positive amounts for transit deposits, outstanding payments, unrecorded credits and unrecorded debits. Signed correction fields add to their side: + increases it; - reduces it. Explain every correction.

- Support totals with an itemized schedule or statement reference, including dates. Look for later clearance of timing items and investigate stale items.

- A matching calculation still needs a reviewer. An unexplained difference belongs in Exceptions, with an owner and next action. Never enter a balancing amount just to make the difference zero.

This example teaches the two-sided bridge. For several bank accounts, use a separate saved reconciliation for each account and period. Do not combine accounts, currencies or statement dates. [C3, C4]

Check what cash alone misses

A business can have cash in the bank and still have missing bills, overdue customers or unsupported balances. Review the schedules that apply to your business. [C2]

Area	Practical owner check	Follow-up when it fails
Receivables (AR)	Same-date aging total agrees to the AR ledger. Inspect overdue items, credits and disputes.	Name a collection owner; review collectability and any allowance with your accountant.
Payables (AP)	Same-date vendor aging agrees to the AP ledger. Identify bills paid twice, credits and missing invoices.	Confirm supplier balances and near-term due dates.
Payment processors	Gross customer charges less fees/refunds/other movements tie to settlements and reserves.	Explain pending payouts and differences; a net bank deposit is not a sales total.
Loans and payroll	Loan balances tie to statements; principal is separated from interest. Payroll postings and liabilities agree to registers.	Resolve missing payments or liabilities rather than recoding a difference.
Inventory and assets	Inventory records/counts and asset schedules support relevant ledger balances.	Review write-downs, disposals and depreciation with the person responsible.

Accrual adjustments need a basis and approval

Hypothetical example: on January 1 a business pays $1,200 for 12 months of insurance covering January-December. Under a simple monthly accrual treatment, January expense is $100 and the January 31 prepaid asset is $1,100. This is an illustration of timing, not a tax deduction rule. Ask your accountant which treatment, policy and journal apply to your books. Do not automatically apply accrual entries to a cash-basis ledger. [C2, C7]

Keep the calculation, approval and journal reference together. Flag revenue cutoffs, customer deposits, unpaid expenses and unusual estimates for review. Use the same as-of date, entity and basis when comparing schedules.

Turn the close into decisions

Use the final reports for a short owner review. This is a suggested agenda, not a claim that every business needs the same ratios or targets.

Ask	Bring to the review	Leave with
What changed in profit?	Profit and loss versus the prior period and plan, on a consistent basis.	Explanation of unusual sales, direct cost and expense changes.
Why is cash different from profit?	Cash movements plus AR/AP, debt, owner transactions and other relevant balances.	A bridge to the closing cash balance and an updated short-term forecast.
Who needs attention?	Overdue customer balances, disputed invoices and upcoming supplier/payroll obligations.	Named actions, due dates and realistic collection/payment assumptions.
Can we rely on this close?	Reconciliations, adjustments and Exceptions.	Approval, escalation of material uncertainty, and a list of items carried forward.

A cash decision - hypothetical, not a forecast of your business

A business has $26,850 cash, expects $4,000 collections, and has $22,000 supplier payments plus $11,000 payroll due in the next 14 days. Payroll is excluded from the supplier total. Projected cash is $26,850 + $4,000 - $22,000 - $11,000 = **negative $2,150**. Before committing to payments, validate dates, collection assumptions and any other cash movements, then agree a funding or payment plan. Profit alone cannot answer this cash question. [C5]

An exception record that leads to action

Example: 'Processor reserve does not tie by $420; October 31 balance; owner Maya; obtain settlement detail by November 5; reviewer Alex; status Blocked.' Record the eventual explanation, journal/reference if needed, and reviewer approval. Do not mark a genuine unresolved problem complete just because the report was sent.

Keep reports consistent and label estimates. If a late change affects an approved period, record the reason, approval and revised report version. A software lock is a posting control, not a substitute for an accountant's review.

Sources and practical boundaries

Research checked October 20, 2026. Source links support the accounting and recordkeeping principles; the workbook design, sample deadlines and owner agenda are RFS recommendations.

[C1] IRS - What kind of records should I keep?
Supporting documents, organized business records and electronic recordkeeping.
IRS recordkeeping guidance

[C2] Intuit - Month-end close: best practices and tips
Recording, reconciling, adjustments and financial reports.
QuickBooks month-end close guidance

[C3] Intuit - Reconcile an account in QuickBooks Online
Statement dates, matching, zero differences and retained reconciliation reports.
QuickBooks reconciliation instructions

[C4] IRS Publication 583 - Starting a Business and Keeping Records
Business records and the bank-statement reconciliation process.
IRS Publication 583

[C5] SEC - Beginners' Guide to Financial Statements
Profit, balance-sheet balances and cash flows describe different aspects of a business.
SEC financial statement guide

[C6] IRS - How long should I keep records?
Retention varies by record, event and other obligations.
IRS retention guidance

[C7] IRS Publication 538 - Accounting Periods and Methods
Cash and accrual methods differ; tax methods and exceptions need advice on the facts.
IRS accounting methods guidance

Keep and share evidence thoughtfully

There is no single retention period for every business document. Income-tax exceptions, employment records, property records and contractual requirements can differ. Agree a retention schedule with your accountant rather than deleting everything after a blanket three-year rule. Restrict access to financial records and keep recoverable backups. [C6]

This pack supports routine internal management. It is not an audit, a tax return, or a substitute for accounting advice on your facts. Use a qualified adviser for tax treatment, complex revenue, estimates, consolidation and material unresolved differences. Need help running the process? Visit remotefinancialservices.com/remote-bookkeeping-services/.