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The Bookkeeper's Notes On

- ✓ How To Do Month-End
- ✓ Step-By-Step Instructions



Month-End Procedures



A Procedure Manual
For The Small Business
Owner Working From Home

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About Your Tutor



Laura Kenway is a self employed Certified Professional Bookkeeper in Canada, a member of the Canadian QuickBooks ProAdvisor Program, and a Certified QuickBooks Cloud ProAdvisor. She specializes in bookkeeping for small business owners who operate a virtual/online business from their home. Laura has been working with her clients exclusively via the Internet since 2010.

Laura is also the publisher of Bookkeeping-Essentials.com; a *free* online small business accounting resource for bookkeepers and home based business owners.

This is not a free manual. It is not be shared with others. If your friends or peers are interested in purchasing their own copy, please refer them to [my website](#). If you want additional copies for your employees or contractors, please purchase them from [my website](#).

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The Bookkeeper's Notes On How To Do Month End

Month-End Procedures

For The Small Business Owner Who Works From Home

Purpose Of The Manual

In this manual, I will chat about how to perform step-by-step month end procedures for a small work at home business. I'll begin by giving an overview of what happens in large companies, then move on to small business procedures. You'll also find The Bookkeeper's Tips and Let's Chat About featuring:

- 🌱 Customer Payment Deposits in QuickBooks® desktop and online versions;
- 🌱 Deleting and Voiding Transactions in QuickBooks® desktop and online versions;
- 🌱 Pay Bills vs. Write Cheques in QuickBooks® desktop and online versions;
- 🌱 Adjusting Entries.

This manual is best used in conjunction with the Monthly Management Review Manual (to be published in early 2014). The white spaces after some steps are for you to write in your own comments and notes.

Overview Of The Month-End Process

Month end is a big deal in large companies. Although I'm sure times have changed for technological advances since I worked in a large corporation, the overall process is probably still the same. Here's what used happen where I worked.

Everyone worked through their bookkeeping checklist, scrambling to get all their entries booked by the last working day of the month.

Then the first three working days were spent scrutinizing the P&L (profit and loss) and A&L (assets and liabilities) accounts and booking adjusting entries.

Once these were booked, another run was performed so that preliminary financial statements could be given to management to review.

More adjusting entries were booked and the final run was made ... final financial statements were issued and the ledger was closed for that month ... often by the fifth working day ... when the financial planning department swung into action ... reviewing and revising the business plan.

Each analyst kept copies in their offices of their own journal entries with backup along with their reports which were filed in binders (I'm sure this would all be electronic now) with monthly tabs. One binder contained the general ledger (GL), another the financial statements (FS), and another the journal entries that they booked with their backup. The binders were great to look up information when the system the was down ... or management (the boss) asked a question.

If an account was complicated enough, an excel spreadsheet was created to show how the account worked with a month by month analysis. These spreadsheets saved the company money as they helped the external accountants do the year-end audit.




Any errors found that related to a closed month were booked as a correcting journal entry in the current month.

So after all your data entry is done, how do YOU do month end for YOUR small business that operates out of your home? It is basically the same ... but there is more wiggle room on your dates.

The important thing is to have a month end process and perform it EVERY month. If you start the procedures now, while your business is still small, you won't have to scramble as your business grows ... and you'll be comfortable handing over these tasks to an employee or contractor BECAUSE you are now comfortable and familiar with how stuff works ... allowing you to supervise and manage the financial area with ease.

If you are a goal oriented person, as many small business owners are, you might think of these procedures as month end goals.

I'm going to suggest that your month end process does not have to be perfect ... but at the end of each quarter, you take the time to do a really thorough job. Why?

-  You are filing your GST/HST/PST reports and you want it right ...
-  It will make your year end go more smoothly (and therefore less costly) ...
-  You will be on top of any problems ... being proactive instead of reactive.

Get your beverage choice, then pull up a chair and let's get started ... shall we.

Assumptions Made ... and Goals For This Manual

First off, I'm going to keep this simple and assume you have a small business running out your home, with minimal to no inventory, payroll or POS sales. This means I'm also going to assume no separate systems need to be integrated (no summary entries posted).

I am not going to explain how to book any adjusting entries ... which are the types of entries your bookkeeper or accountant would likely book.

I will not be covering how to "fix" some software use problems ... that you might encounter while doing your month end.

My main goal here is to keep this very simple for you and give you a method to self-assess how your bookkeeping is going.

Your main goal is accurate and timely financial statements that you can use to run your business and reduce your accounting costs.

A Note to "Wannabe" Freelance Bookkeepers

Hey, I'm talking to you. Are you listening? Here's my piece of wisdom for you ... You don't know what you don't know! ... until it's too late.

Under no circumstances should these procedures be a substitute for appropriate supervised experience and/or educational training. If you don't have either and/or both, I strongly recommend you obtain employment with an accounting or bookkeeping firm prior to opening your own business.

It is very important to understand that your lack of knowledge could place a small business owner in financial trouble and/or bankruptcy. This may not become evident until the small business owner goes through a CRA/IRS audit three to five years down the road. These procedures do not cover all the knowledge you need to know about GAAP or tax to be a good freelance bookkeeper. Once you are out on your own, it is NOT just about the data entry.

A Note to Business Owners

Small business owners, it's your job to determine how experienced your bookkeeper is. Any money "saved" up front is often paid many times over after an audit. Many small businesses fail and financial troubles follow for years afterward if the books weren't kept in accordance with CRA/IRS requirements. There are many, many, many rules to know. Ignorance is not a defense, but due diligence is.

The following acronyms may be referred to in this manual. I know it sounds like a foreign language but this should help you sort it out, especially if you want to know what terms like ASPE stands for:

- 🐸 A&L - Assets and Liabilities
- 🐸 A/P - Accounts Payable
- 🐸 A/R - Accounts Receivable
- 🐸 ASPE - Accounting Standards for Private Enterprise - Canadian GAAP for SMEs
- 🐸 ETA - Excise Tax Act (GST/HST is administered under this act)
- 🐸 FRF for SMEs - Financial Reporting Framework for Small and Medium-Sized Entities (published by AICPA in June 2013)
- 🐸 GAAP - Generally Accepted Accounting Principles
- 🐸 ITA - Income Tax Act or The "Act"
- 🐸 P&L - Profit and Loss
- 🐸 QBO - QuickBooks® Online

Detailed Month-End Procedures -- Step-by-Step

Here is your bookkeeping checklist for month-end. Just to keep things simple ... perform your month end as soon as you have your bank and credit card statements. If you sign up for e-statements, you should be able to start sometime in the first five days of the month.


Prep Work Procedures

1. **Back up your file NOW** ... just in case you really screw up this month end :0) ... you will have a chance to start again ... instead of paying a bookkeeper to fix everything up.
 - 👉 Remember to jot down your backup file name on your checklist form. I don't know about you, but sometimes when I frazzled my brain just doesn't remember the stuff I want it to! :0)
2. Complete the data entry of ALL your transactions pertaining to the month. Take a moment now just to enter any stragglers (Is that a word? If not, it should be because I like the sound of it!) invoices or receipts ... and **don't forget all your cash receipts** that were paid with business funds.
 - 👉 Business expenses [paid with personal funds](#) are handled differently.
 - 👉 Hopefully you have [setup your record keeping system](#) ... and have been organizing and entering your data in batches on a particular day each week ... say Monday mornings or Wednesday afternoons... if possible pick a day / chunk of time when things are slower instead of when things are likely to be busy.


Write your Prep Work notes here:


Account Receivable (A/R) Procedures


3. Invoice any **customers** for work performed during the month and for which you **have not yet billed**.

 You want to make sure that anyone who owes you money (as in your business not you personally) is listed in your accounts receivable.

4. Key in all money received from customers or the government but not deposited into the bank yet ... also key in any unrecorded deposits made.

 If you are using QuickBooks®, I enter it by issuing a "sales receipt" if no invoice was issued. If the payment received pertains to an outstanding invoice on your Account Receivable report, enter the payment to "receive payments" under the Customer drop down menu.

 If you are using QuickBooks®, a good internal control measure is to record all customer payments to the [Undeposited Funds account](#) using [Receive Payments or Sales Receipts](#). When you make a bank deposit, you group together the payments that are included in your bank deposit ... this makes reconciling your account easy.

 At month end, go into bank deposits and make sure you track down every customer payment showing in the window that has not been deposited to the bank. Find out when it was deposited and post the transaction.

QuickBooks® Online (QBO)

The QBO Sales Receipts form is accessed by clicking on the "+" sign at top middle of your screen. Now click on Show More. Look under Customers.

The Receive Payments function is called Make Payment in QBO. You access it through the Suppliers module on your left hand side navigation bar. Click on the gold Unpaid / Open Bill field.

Write your A/R notes here:

THE BOOKKEEPER'S TIP

Recording Customer Payment Deposits

If you make Customer Payment Deposits directly through the Make Deposits windows (Bank Deposit in QBO), you may double book an entry. How?

... (1) Booking a customer payment deposit to an income account through Make Deposits records the income twice. Once when you generated the invoice/receipt and again when you made this deposit.


... (2) Booking a customer payment deposit to an accounts receivable through Make Deposits records the payment twice. Once when you Received Payment/Sales Receipts and again when you made this deposit.

Are your sales figures looking too high while your accounts receivable balances keep growing? This may be your problem.

... The benefit to you in using Receive Payments/Sales Receipts and Undeposited Funds for all customer receipts is preventing income from being recorded twice and/or recording customer payments twice ... which of course makes the month end review easier for you.

Account Payable (A/P) Procedures

5. Make sure all your **unpaid bills** are entered into accounts payable ... also key into accounts payable any **unrecorded bills** you paid but you can't remember how or from where because you didn't [follow this tip](#).
 - 🧐 You want to make sure that anyone you owe money to (as in your business not you personally) is listed in your accounts payable.
 - 🧐 As you perform your reconciliations, you will be able to figure how you paid those unrecorded bills. When you do, you will process the outstanding accounts payable bills accordingly. If you are behind on your paper organization, let the accounting software help you "match" your support documents instead of pulling your hair out and trying to do it by manually sorting the paperwork.

6. If there is a "total balance owing" on any of the bills (for example Telus and BC Hydro always have carry forwards on their bills) ... or you have vendor statements ... you want to **balance each vendor's account** to their reported balances.
 -  You could do this step anytime during the month by setting aside a particular day every month, like the 20th or every 4th Wednesday, to [reconcile accounts payable to the vendor statements](#).
7. Check to make sure you have entered all your memorized recurring transactions like **automatic bill payments** for accounts that are on a budget plan, subscription or any loan payments.

Write your A/P notes here:

LET'S CHAT ABOUT ...

Understanding Pay Bills vs. Write Cheques in QuickBooks® Desktop (See Appendix A for QBO Instructions)

I prefer to only delete a transaction if I do an "oops". :o) Here is a common "oops" made by beginners using QuickBooks®.

Let's say I used the wrong QuickBooks® form ...

... Before month end starts, I use Write Cheques (under the banking drop down menu in the desktop version) to pay a bill*. Before I print the cheque, I check the vendor's balance in the Vender Center (Accounts Payable module) to make sure I did the entry correctly ... and I see that the bill I'm paying was entered into Accounts Payable ... oops! This means I can't use Write Cheques to pay this bill. I have to use the Vender Center.

In this instance I would delete the cheque I just entered (because I hadn't printed it yet), go to Pay Bills (under the vendors drop down menu), and pay the bill from there. Now when I check the vendor's balance, I can see that I have the correct balance. (Remember you are balancing your vendor statements to your accounts payable balance.) Check to make sure you have entered all your memorized recurring transactions like automatic bill payments for accounts that are on a budget plan or loan payments.

If I hadn't caught my error, my books would have shown the expense twice on the income statement (golly no wonder I'm not making money!) and the bill still outstanding in accounts payable ... even though I'm certain I paid the bill ... and I'm thinking "why is this stupid program not working?" :o(... when it wasn't the program at all ... but just me not following correct accounting procedures ... which is going to make my month end harder to do!

What if you didn't catch this error before you printed and sent out the cheque? As an example, let's say you don't catch your error until you are reconciling your vendor accounts at month end.

If you are in an open accounting period, here's what you do:

1. Select the cheque you issued to pay the bill, and change the coding from an expense account to Accounts Payable.
2. Add the vendor name in the Customer:Job column/field and say Yes to recording the changes.
3. Go to Pay Bills and apply the credit to the appropriate bill by clicking on Set Credits. This takes you to the Discounts & Credits window.
4. Put a check mark on the cheque you just edited. You should be able to see the credit applied to the bill you were trying pay. If you've done it correctly, the Amount to Pay should now be zero.

If the accounting period is closed when you catch your error (probably because you are performing step 6 in the month end procedures) here's what you:

1. Book an adjusting journal entry debiting A/P and crediting the expense account.
2. Go to Pay Bills and apply the credit to the appropriate bill.
3. Enter the vendor name on the A/P line in order to post the journal entry exactly the same as described in the open period above.

*The more recent desktop versions of QuickBooks® actually have a warning message so this error should no longer occur ... as long as you pay attention to the message.

Write notes about how your accounting software works here:

Credit Card and Loan Reconciliations Procedures

8. Do your monthly **credit card reconciliation**. Enter any unrecorded transactions. Attach the completed reconciliation report to the credit card statement. File both according to the record keeping system you have put in place.
 - 👉 If you have any charges that you don't have [legitimate receipts](#) for, book these entries to a current asset account I like to call "**No receipt No tax deduction**". As you locate or request copies of these missing receipts, you would then journal them out of this clearing account to the appropriate expense account. (Any entries left in the account at year-end are charged to Owner's Draw.) This helps to audit proof your accounting records ...
Remember that for every receipt you don't have, your taxes just went up.
9. Reconcile your **line of credit and/or loan balance** to your loan statement or online balance as of the end of the month.
 - 👉 You might have to book an adjusting entry if the interest portion of the loan payment was posted to the loan account or the entire loan payment was expensed.

Write your Reconciliation notes here:

THE BOOKKEEPER'S TIP

About Month End / Year End Adjusting Entries

Most small businesses do NOT need to record adjusting entries while performing month-end or quarter-end procedures.

Unless you have some bookkeeping training, it really is best if you leave adjusting entries to your bookkeeper or accountant to do them at year-end.

You may want to book your prepaid expenses monthly or quarterly ... and possibly amortization. I would also consider taking a quarterly inventory on your large dollar items only ... and adjusting the quantity on hand. Having said that, I will reiterate ... most small businesses don't need to do adjusting entries on a monthly basis.

You can learn more about adjusting entries by searching the bookkeeping-essentials.com website.

Capital Asset Purchases and Sales Procedures

10. If you purchased any assets this month, make sure they have been [recorded properly](#). Assets, like equipment over \$500.00, should be [capitalized](#) not expensed.
11. If you received any loan proceeds during the month, take a moment during month end to make sure they have been [recorded properly](#) ... Loan proceeds are NOT income. If you post your loan proceeds to income, your taxes just went up.
12. If you sold any assets this month, make sure they have been [recorded properly](#). You need to remove the asset from the balance sheet and book any gain or loss on the sale.

Write your Capital Asset notes here:

Owner's Draws and Expense Reports Procedures

13. Make sure you have posted all your [draws](#) or [expense reports](#) for the month. Also [record any loans or contributions](#) you have made to the business during the month.

Write your Owner's Draw and Expense Report notes here:

Bank Reconciliations Procedures

14. Do your monthly [bank reconciliation](#). Enter any unrecorded transactions.. Attach the completed reconciliation report to the bank statement. File the statement and reconciliation together according to the record keeping system you have put in place.

Write your Reconciliation notes here:

Management Reporting Package / Closing Procedures

15. Run your preliminary month end reporting package:

- 📄 Budget vs. Actual Report
- 📄 Statement of Financial Position ([Balance Sheet](#))
- 📄 Statement of Operations ([Income Statement](#))
- 📄 Sales Report
- 📄 Job or Class Reports
- 📄 Aged Accounts Receivable and Accounts Payable Reports (They should match the balances in your general ledger)

16. Perform your monthly review. If you are the bookkeeper, the owner might also like to be involved in this process. **Don't skip this step in the month end process.** It is important to go through your accounts. **You are searching for possible errors, omissions or any unusual balances.** If something looks "off" or doesn't make sense ... question it ... figure out what's bothering you about what you are seeing. This is a way to be proactive in managing your business finances.

17. Book any necessary corrections that came from your review.

Write your reporting and correcting entry notes here:

18. Run your **final month end reporting package** and file it on paper or electronically. It is a good idea to run these additional reports for future reference if necessary:
- 📄 Your General Ledger for This Month
 - 📄 Cheque Register to show your audit trail of sequential cheque numbers. (In QuickBooks® I run the missing cheques report and rename it.)
 - 📄 **Plus any other of your favorite reports**
19. **Close your books** for the month so no more entries can be booked to this accounting period.
- 📄 In QuickBooks® desktop version, you will find the "closing date" feature under the Company drop down menu.
 - 📄 In QBO, you will find the "closing the books" feature under Company> Preferences> Company > Closing the books.
 - 📄 The reason for closing the period is that you don't want anyone to edit, void or delete transactions that you have reviewed, reconciled and approved during your management review. **Any errors found after you have completed month end and closed the period should be corrected in the current or open period.**

Write your closing notes here:

LET'S CHAT ABOUT ...

Deleting / Voiding Transactions in QuickBooks®

Good accounting procedures should be in place so that transactions are NOT voided and deleted whenever you want to ... even if the software program (like QuickBooks®) allows you to.

So here are a few basic good bookkeeping practice rules on when to delete or void a transaction in QuickBooks®.

You can delete a cheque that has NOT been printed or issued. Once it has been printed, you should void the cheque to maintain your audit trail of sequential numbers and history of the transaction.

👉 ... if in doubt, choose to void the transaction instead of deleting the transaction ... but NEVER use either of these functions in a closed accounting period ... unless you like paying big bucks to your bookkeeper or accountant!

👉 You can delete an invoice that has NOT been printed and sent out. Once it has been issued, you should void the invoice to maintain your audit trail of sequential numbers and history of the transaction. The same rules and logic for cheques apply to invoices.

👉 You can reverse (cancel) a stale dated cheque if the cheque is outstanding on your bank reconciliation after six months. Learn how to reverse stale dated cheques properly in my article on Monthly Management Review. You can use the same procedure to void a cheque properly if the accounting period has been closed.

THE BOOKKEEPER'S TIP

A Good Bookkeeping Practice

Whenever you void a transaction, write a note in the memo field explaining why the transaction was voided.

20. **Back up your file NOW** following your backup procedures and policies you have put in place.

📝 Remember to jot down your backup file name on your checklist form. I don't know about you, but sometimes when I'm frazzled my brain just doesn't remember the stuff I want it to! :0)

21. **Once you have closed your books (you did close them, right?)**, month end is complete. You are ready to perform the routine all over next month. At the last month of your fiscal year, year-end procedures will have to be performed AFTER you have completed your month end. Most small business owners do not handle yearend procedures themselves. They usually hire a bookkeeper or accountant to do year end and prepare the business tax return to ensure they get all the deductions they are entitled to.

Write any other notes or reminders to yourself here:

Some Great Stuff To Know About QuickBooks® Desktop

Remember, if you make an error and you are in an open accounting period in QuickBooks® ... you can always **edit your transaction** rather than delete it.

Q. How do you edit a transaction in QuickBooks®

A. Find and open the transaction. Make any changes you need. Save the changes ... but do this only if the transaction has NOT been cleared in a credit card or [bank reconciliation](#) ... or printed and issued as discussed above.

Q. How do you know if a transaction has been cleared in a reconciliation?

A. In the chequing account or credit card account registers you should see a check mark in the cleared field. This tells you it is a reconciled and cleared transaction .. and a warning message should come up telling you are editing a cleared transaction. If this happens, go ahead and change memo notes but DO NOT change any numbers ... you will put the reconciled account out!

Q. How can you see the bookkeeping entry behind the form?

A. Open the form for the bookkeeping journal you want to see. One option is to select Ctrl+Y and the transaction journal entry will pop up in the traditional debit / credit format. Your second option is to select the Transaction History icon on the Reports tab of your form ... do not confuse this with the Reports drop down menu ... two different things.

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How To Use This Manual

Good luck with your month end! ... and remember if you develop the habit of consistently working your way through this bookkeeping checklist every month, the routine gets easier and you stay on top of any problems that arise.

If you don't do your books monthly, perform these procedures every quarter. Once a year is NOT enough time to correct problems found from performing these tasks.

Don't be afraid to customize these procedures to fit your business. The accompanying Month-End Checklist has a spot for you to write your own notes.

This manual was designed to be used in conjunction with my website. Make sure you follow the links.

It's been great chatting with you!

Laura (aka Lake)

P.S. A note about the links in this manual. Once you click on the link and arrive at the appropriate page of my website, depending on your browser, you may need to hit your enter button one more time to take you to the correct spot on the page.

Appendix A: QuickBooks® Online (QBO)

LET'S CHAT ABOUT ...

Understanding Bill vs. Cheque (or Expense) in QBO

I prefer to **only delete a transaction if I do an "oops"**. :0) Here is a common "oops" made by beginners using QuickBooks®.

Let's say I used the wrong QuickBooks® form ...

... Before month end starts, I use Cheque or Expense (Click on the blue "plus" sign located at the top of your screen in the center. Look under the Suppliers column) to pay a bill¹. Before I print the cheque, I check the vendor's balance in the Suppliers Center (Accounts Payable module) to make sure I did the entry correctly ... and I see that the bill I'm paying was entered into Accounts Payable ... oops! This means I can't use Cheques to pay this bill. I have to use the Supplier Center.

In this instance I would delete the cheque I just entered (because I hadn't printed it yet), go to Pay Bills², and pay the bill from there. Now when I check the vendor's balance, I can see that I have the correct balance. (Remember you should be regularly balancing your vendor statements to your accounts payable balance.)

If I hadn't caught my error, my books would have shown the expense twice on the income statement (golly no wonder I'm not making money!) and the bill still outstanding in accounts payable ... even though I'm certain I paid the bill ... and I'm thinking "why is this stupid program not working?" :0(... when it wasn't the program at all ... but just me not following correct accounting procedures ... which is going to make my month end harder to do!

What if you didn't catch this error before you printed and sent out the cheque?

¹ Harmony version will not give a warning that you are about to pay a bill. But if you look in the right column, you will see a list of your bills outstanding. You just need to click on "add" to pay the appropriate bill. Classic version will give you a message that says, "This supplier has a balance due. Is this paying off a bill? Click Yes to go to the Bill Payment screen". Ideally you should pay attention to this message and click on Yes; then proceed to the Bill Payment section.

² You can get there by clicking on Suppliers in the left hand navigation bar. Choose your supplier. Find the bill you want to and click on "Make Payment".

Let's say you don't catch your error until you are reconciling your vendor accounts at month end.

If you are in an open accounting period, here's what you do:

4. Select the cheque or expense you issued to pay the bill. Delete your line of coding by clicking on the trash can on the far right of the data line.
5. Find the bill you want to pay in the right hand column of your screen; click on "add". Change the coding from an expense account to A/P. QBO will automatically apply the payment to the outstanding bill.³
6. If you've done everything correctly, open the bill in the Supplier list. The payment status in the upper right hand corner should show paid.

If the accounting period is closed when you catch your error (probably because you are performing step 6 in the month end procedures) here's what you:

1. Book an adjusting journal entry debiting A/P and crediting the expense account. Make sure you enter your sales correctly on the expense line. A/P should have no sales tax entered.
2. Select your supplier from the Supplier List; find the bill to pay and click on "Make Payment".
3. You should see one section called Outstanding Transactions and another section called Credits. Make sure the appropriate boxes for both lines is checked. Chose "close and save". Your bill is now showing paid in your A/P.
4. Just to make sure you've done it correctly; run your P&L for the two month period. Click on the appropriate expense account. You should see your Bill from the prior month, your Cheque or Expense from the prior month and your correcting Journal Entry from the current month backing out one of the amounts.

Some Great Stuff To Know About QBO

Remember, if you make an error and you are in an open accounting period in QuickBooks® ... you can always edit your transaction rather than delete it.

³ If you get an "Unexpected Problem" error, delete the whole transaction by clicking on the "More" button at the bottom of your screen. Select delete. then go to the supplier, find the outstanding bill and click on make payment.

Q. How do you edit a transaction in QBO?

A. Find and open the transaction. Make any changes you need. Save the changes ... but do this only if the transaction has NOT been cleared in a credit card or bank reconciliation ... or printed and issued as discussed in other sections of this manual.

Q. How do you know if a transaction has been cleared in a reconciliation?

A. Go to Transactions (left hand side navigation bar) > Account Histories and select the account you think your transaction is in. Click on Go To Account History. This puts in the account register. You will see an “R” in the field headed by a checkmark. This tells you it is a reconciled and cleared transaction.

Unlike the desktop version, at the time of this writing, **you will NOT get a warning message** telling you are editing a cleared transaction ... so be very, Very, VERY careful or you may screw up your reconciled account. Feel free to change memo notes but **DO NOT** change any numbers ... you will put the reconciled account out!

Q. How can you see the bookkeeping entry behind the form?

A. Open the form for the bookkeeping journal you want to see. At the bottom of your screen you will see a More item. Click on it, then select Transaction Journal. There is no short cut key for this feature in QBO.

Month-End Checklist

Month _____, 201__

Company Name:

Bookkeeper:

Reviewed By:

Procedures to be performed. Instructions and explanations are in the Month-end Procedure Manual.

Prep Work

☞ Back up your file **NOW** ... just in case you really screw up this month end :o)

1

Hints:

write down your file name

☞ Complete the data entry of **ALL** your transactions pertaining to the month.

2

invoices, receipts, cash receipts, bills, petty cash vouchers

☞ Reclassify amounts in suspense account where you have found the source documents.

originally found while doing bank and credit reconciliations in the prior month

Accounts Receivable

☞ Invoice any customers for work performed during the month not yet billed.

3

☞ Post any unrecorded bank deposits made

4

preauthorized deposits

☞ Key in all money received from customers not deposited into the bank yet

4

☞ Key in all money received from government not deposited into the bank yet

4

Accounts Payable

☞ Enter all your unpaid bills into accounts payable

5

Your Customized Notes:

Month-End Checklist

Month _____, 201__

	Manual Ref.	Performed	Reviewed	Hints:	Your Customized Notes:
<input type="checkbox"/> Enter any unrecorded bills paid but can't remember how or from which payment source	5	<input type="checkbox"/>	<input type="checkbox"/>	Telus, Hydro ongoing budget payment plan, loan payments, online subscriptions	
<input type="checkbox"/> Balance to vendor bill carry forwards	6	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Balance to vendor statements	6	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Post all automatic bill payments	7	<input type="checkbox"/>	<input type="checkbox"/>		
Credit Card and Loan Reconciliations					
<input type="checkbox"/> Do the credit card reconciliation for all business credit cards.	8	<input type="checkbox"/>	<input type="checkbox"/>	preauthorized payments, interest charged reclassify once supporting paperwork is found	
<input type="checkbox"/> Enter any unrecorded transactions found during credit card rec.	8	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Key expenses without source documents to balance sheet suspense account for followup later	8	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Verify loan payments and loan interest have been properly recorded	9	<input type="checkbox"/>	<input type="checkbox"/>	don't forget your line of credit	
<input type="checkbox"/> Reconcile your loan accounts	9	<input type="checkbox"/>	<input type="checkbox"/>		
Capital Assets Purchases and Sales					
<input type="checkbox"/> Verify capital asset purchases have been capitalized	10	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Verify any new financing/loan proceeds have been properly recorded	11	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Verify capital assets sold have been properly recorded	12	<input type="checkbox"/>	<input type="checkbox"/>		
Owner's Draws and Expense Reports					
<input type="checkbox"/> Post all owner's draws made during the month	13	<input type="checkbox"/>	<input type="checkbox"/>		

Month-End Checklist

Month _____, 201__

	Manual Ref.	Performed	Reviewed	Hints:	Your Customized Notes:
<input type="checkbox"/> Post all expense reports submitted	2&13	<input type="checkbox"/>	<input type="checkbox"/>	I recommend Expensify for paperless expense reporting	
<input type="checkbox"/> Record any owner's contributions	13	<input type="checkbox"/>	<input type="checkbox"/>		
Bank Reconciliations					
<input type="checkbox"/> Do the bank reconciliations.	14	<input type="checkbox"/>	<input type="checkbox"/>	interest earned, chargebacks, bank errors, bank fees	
<input type="checkbox"/> Enter any unrecorded transactions found during bank rec.	14	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Key expenses without source documents to balance sheet suspense account for followup later	14	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Do the petty cash reconciliation, if applicable.	see website	<input type="checkbox"/>	<input type="checkbox"/>	reclassify once supporting paperwork is found	
Reporting Package / Closing					
<input type="checkbox"/> Run preliminary reporting package	15	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Perform your monthly review. DON'T SKIP THIS STEP	16	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Book any necessary correcting entries based on your review	17	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Run final reporting package and distribute	18	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Close your books	19	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Back up your file NOW	20	<input type="checkbox"/>	<input type="checkbox"/>		