

# The Month End Close Checklist



## SHOULD YOU BUILD ONE?

### What is a Month End Close Checklist?

It is a fully detailed operating manual with custom-designed or predefined schedules that have to be completed as part of the month-end closing process.

You certainly should build a month end close checklist if you have realized the following:



There are recurrent accounting mistakes that make it difficult for you to evaluate the company's performance and financial position.



Financial statements are not available for top management to address problems in a timely manner.



Too much time, effort, and money is spent compiling, reviewing, and auditing financial statements at the end of every month.

## 4 Benefits Of A Month End Close Checklist

1

### REDUCES ACCOUNTING MISTAKES



Accounting reports involve large quantities of data and may result in mistakes such as errors and omissions. These mistakes can be legitimate or attempts to conceal fraud and theft. A month-end close checklist can help accountants remember things they might otherwise skip.

2

### IMPROVED RESULTS FROM ACCURATE REPORTING

It's through accurate reports that top management identifies and corrects performance problems. In addition, creditors, investors, and analysts can evaluate a company's overall performance and financial position. By implementing a checklist, the accounting department can be in a position to produce accurate financial statements on which all the stakeholders can rely.



A month end close checklist helps to eliminate errors and omissions, it can help ensure that critical balances, such as cash and inventory, are accurate from month to month. By implementing the checklist, the accounting department can be in a position to produce accurate financial statements on which all the stakeholders can rely.

3

### A CHECKLIST INCREASES EFFICIENCY



With large quantities of data to process, it takes time to produce reports. However, a delay in the issuance of financial statements can result in management realizing too late there was a serious performance or liquidity problem that should have been addressed sooner.



A month-end close checklist accelerates the time it takes to organize and have internal financial reports available. With a well-thought-out list of tasks to be accomplished, accountants and management will be on the same page as to when to expect accounting reports.

4

### A MONTH-END CLOSE CHECKLIST MAKES THE COMPANY AUDIT-READY

Besides making your company audit-ready at the end of every month, the checklist will prove to be beneficial when compiling your annual financial statements. The increased efficiency and accuracy resulting from the implementation of a month-end close checklist reduces the time, effort, and money spent on preparing the financial statement audit at the end of your fiscal year.

