2026 Monthly Bookkeeping Checklist

A repeatable month-end routine to keep your books accurate, current, and ready for better decisions.

How to use this checklist: Complete the applicable steps after each month closes. Keep supporting records with your accounting files, and resolve unusual balances before financial reports are finalized.

1. Record the Month Completely

- ☐ Enter all sales, service revenue, customer payments, deposits, refunds, and other income for the month.
- ☐ Enter vendor bills, operating expenses, subscriptions, reimbursements, and other business costs for the month.
- ☐ Review uncategorized transactions and assign each item to the appropriate account.
- ☐ Record transfers between bank, savings, credit card, payment processor, and loan accounts correctly so income and expenses are not duplicated.
- ☐ Attach or retain receipts, invoices, contracts, and other support for significant or unusual transactions.

2. Reconcile Cash, Banks & Credit Cards

- ☐ Reconcile every bank and savings account to the month-end statement.
- ☐ Reconcile every business credit card to the month-end statement.
- ☐ Review outstanding checks and deposits in transit and investigate old or unusual items.
- ☐ Reconcile PayPal, Stripe, Square, merchant processors, and other payment platforms to the accounting records, when applicable.
- ☐ Investigate bank fees, returned payments, chargebacks, duplicate transactions, or unexplained differences.

3. Accounts Receivable & Customer Activity

- [ ] Review the accounts receivable aging report and follow up on past-due customer balances.
- [ ] Apply customer payments and credits to the correct invoices.
- [ ] Review customer deposits, retainers, credits, and unapplied cash balances.
- [ ] Identify invoices that may need adjustment, collection follow-up, or write-off consideration.
- [ ] Confirm revenue recorded for the month agrees with billing or sales records.

4. Accounts Payable & Vendor Activity

- [ ] Review the accounts payable aging report and verify open bills are valid and complete.
- [ ] Match vendor payments to the correct bills and investigate unapplied vendor credits or duplicate payments.
- [ ] Review recurring charges and subscriptions for accuracy and continued business need.
- [ ] Collect missing vendor invoices, receipts, or Forms W-9 when needed for year-end reporting.
- [ ] Review significant prepaid expenses, deposits, or annual contracts for proper classification.

5. Payroll, Benefits & Employee Costs

- [ ] Post or reconcile payroll activity to payroll reports, including gross wages, employer taxes, deductions, and net payroll.
- [ ] Reconcile payroll-tax and benefit liabilities and investigate any old or unusual balances.
- [ ] Record employee reimbursements and confirm supporting documentation is retained.
- [ ] Review owner/officer payroll, bonuses, or unusual compensation transactions when applicable.
- [ ] Confirm payroll cash withdrawals agree with payroll reports and the bank account.

6. Loans, Fixed Assets & Other Balance-Sheet Accounts

- ☐ Reconcile loan and line-of-credit balances to lender statements and separate principal from interest.
- ☐ Record new equipment, vehicles, furniture, technology, leasehold improvements, and other significant asset purchases.
- ☐ Document assets sold, traded, abandoned, or disposed of during the month.
- ☐ Review security deposits, prepaid expenses, employee advances, and other asset accounts for accuracy.
- ☐ Review accrued expenses, credit balances, sales tax, payroll liabilities, and other liability accounts for reasonableness.

7. Owner & Related-Party Activity

- ☐ Record owner contributions, distributions, draws, and reimbursements separately from operating income and expenses.
- ☐ Identify personal expenses paid by the business and business expenses paid personally by an owner.
- ☐ Record loans between the business and owners, shareholders, members, partners, employees, or related parties with appropriate support.
- ☐ Review equity balances for unusual or unexplained activity.

8. Sales Tax, Other Taxes & Compliance

- ☐ Reconcile sales-tax collected to sales-tax payable and prepare or retain support for required filings.
- ☐ Review franchise, property, excise, local, or other business taxes that apply to the company.
- ☐ Retain confirmation of estimated tax payments and other tax payments made during the month.
- ☐ Note new states, localities, employees, property, or customers that may create additional filing or registration considerations.
- ☐ Save copies of any IRS, state, or local tax notices received during the month and provide them to AFairchild promptly.

Tax filing requirements vary by business and jurisdiction. Discuss specific obligations with your AFairchild advisor.

9. Review the Financial Statements

- ☐ Run and review the month-end Profit & Loss Statement and compare results with the prior month, prior year, and budget when available.
- ☐ Run and review the Balance Sheet and investigate negative, unusually large, stale, or unexpected balances.
- ☐ Review gross profit, operating expenses, payroll, and other key trends for significant changes.
- ☐ Confirm cash, accounts receivable, accounts payable, debt, and equity balances appear reasonable based on business activity.
- ☐ Document explanations for significant variances or unusual transactions so they are easy to revisit later.

10. Close & Retain the Month

- ☐ Resolve outstanding questions and post approved month-end adjusting entries.
- ☐ Save final month-end financial statements and reconciliation reports.
- ☐ Organize supporting documents so transactions can be substantiated later if needed.
- ☐ Back up accounting data or confirm cloud-accounting backup and access procedures are functioning as intended.
- ☐ Restrict or lock the closed accounting period when appropriate to prevent accidental changes.

Monthly Final Review

- ☐ All bank, credit card, payment processor, and loan accounts are reconciled.
- ☐ Accounts receivable and accounts payable have been reviewed.
- ☐ Payroll, owner activity, fixed assets, and key balance-sheet accounts are complete.
- ☐ Profit & Loss and Balance Sheet reports have been reviewed for reasonableness.
- ☐ Questions, unusual transactions, or items requiring advisor input have been identified.

Month-end close check: Are the balances complete and accurate, and do the financial statements make sense based on what happened in the business this month? If not, investigate before closing the month.