

Weekly Reconciliation & Month-End Close Checklist

A guide to standardizing your weekly bank reconciliation and month-end close workflow

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To access the Weekly Reconciliation & Month-End Close Checklist in Google Sheets, click here!

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The importance of frequent & efficient bank reconciliation

Bank reconciliation is more than just a bookkeeping activity – it's the foundation for increasing your value-add to your clients.

Before you can even think about expanding your services or enhancing your advisory work, you need a clean set of books, metrics, and thorough analysis. Bank reconciliation is a necessary contributor to all of these activities.

One of the key questions that surfaces surrounding bank reconciliation pertains to frequency: how often should bank reconciliation be performed? Best-in-class firms perform bank reconciliation on a weekly basis (as opposed to monthly). Performing weekly bank reconciliation will minimize the lag time between activity and coding.

Moreover, performing weekly bank reconciliation can help your firm move closer to providing real-time financials. Reconciliation and month-end close are necessary for gathering accurate and complete data, which will translate into answers for your small business clients. Thanks to cloud accounting technology, performing weekly bank reconciliation (*and gathering the data you need to provide better, faster advice*) has never been easier.

An increase in the frequency of bank reconciliation leads to another key question: how can bank reconciliation be performed efficiently? The answer lies in **standardization**.



Why standardize?

Standardization enables a number of benefits for your firm. Weekly and monthly processes will help your firm look forward because they enable more predictable processes, allowing you to report on **lead measures** (instead of lag measures).

Moreover, processes will help you produce high quality work, deliver work on time, and remove the risk of “surprises”. As a result, standardized processes can help improve your NPS (Net Promoter Score) and staff sentiment, which could translate to an increase in add-on services for clients, higher referrals, and lower staff attrition.

Perhaps most importantly, standardization helps to increase practice efficiency. Increasing efficiency ultimately drives topline and bottomline growth. Freeing-up capacity through standardization can create a reduction in resources (bottomline growth), or allow you to focus your efforts on growing your clients and services (topline growth).

It's important for bank reconciliation and month-end close to be standardized because of the volume and frequency by which they run – i.e., both the number of clients involved and the number of internal hours spent on these processes are high. A small improvement in a highly repetitive process (such as weekly reconciliation) will lead to massive gains over time. Standardization will ensure that they become second nature, which reserves your staff's brainpower to be spent on more complicated services, such as advisory. Moreover, it speeds up the mundane to allow you to spend time on the work that interests you.

To summarize, standardizing your reconciliation process will help to ensure:

Higher quality work: Standardization will mitigate the risk of missing information, incorrect data, and other common errors, resulting in a higher quality end product.

Predictability & consistency: Attaching timelines to your standardized processes will ensure on-time delivery of services. In addition to promoting consistency (in both quality and delivery time), this will also help you better allocate your time.

Reduced cycle time: Removing the uncertainty surrounding ownership and introducing standard timelines and clear next steps will help you significantly reduce your cycle time.

Accountability: Knowing who is responsible for what tasks at every step of the process will help ensure that your team and your clients work together as a well-oiled machine.

Flexibility: Processes that are documented and simplified can be assigned to lower-skilled staff. With more hands on deck and a standardized transition of work, further efficiency is created.

Best practices for standardizing bank reconciliation

Standardization (via documented processes and checklists) enables a lower cost of completing work and a higher volume of work to flow through your firm. This increase in efficiency contributes to higher revenue per employee and overall firm profitability.

So, how exactly do you go about standardizing your bank reconciliation process?

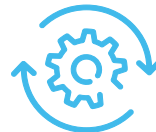
DOCUMENT YOUR WORKFLOWS



As with any accounting and bookkeeping workflow, your first step to standardization should be to document your workflows. Documenting your workflows will help to keep everyone on the same page because it will define ownership of each step, as well as what needs to be completed in order to move on to the next step of a process.

You can get started with documentation by putting pen to paper (or, using a Google Sheet or a workflow tool such as Karbon) to write down each step of the workflow you wish to standardize. Keep in mind that process improvement is a process in itself ([the ten steps provided here will provide a primer on the process of process improvement](#)). The steps provided in our weekly reconciliation and month-end close checklists are meant to help you document your weekly reconciliation and month-end close workflows. Use these as a framework to get started!

CONTINUOUS PROCESS IMPROVEMENT



You don't have to standardize all of your workflows at once! Start with one process (or even part of a process), then build up and optimize on an ongoing basis. The steps provided below are [also available in a Google Sheet](#), which you can copy and modify to better fit your firm's current workflow and your clients' business needs. Efficiency doesn't happen overnight!

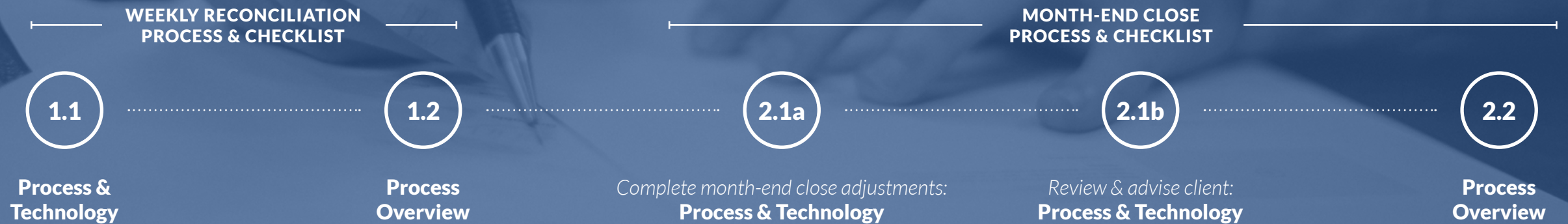
EMBRACE TECHNOLOGY



Documenting your workflows will make it obvious as to where cloud accounting technology can help make certain processes more efficient. In the weekly reconciliation and month-end close checklists below, we provide suggested tools you can use to execute and/or automate each step. Keep in mind that technology is an enabler, not a resolution, and should therefore be considered as the last step of any standardization exercise.

Weekly Reconciliation & Month-End Close Process & Checklist

The following checklists — **Weekly Reconciliation Process & Checklist** and **Month-End Close Process & Checklist** — will outline the key steps involved for weekly reconciliation and month-end close, as well as common best practices as to who executes against each step, when the step should be completed, and how you can use technology to further improve efficiency.



Process & Technology

PROCESS

1. Publish all receipts, bills, and invoices from financial document management app

- Log in to financial document management app
- Review documents and ensure all coding is complete
- Publish receipts, bills, and invoices
- Publish paid invoices to accounting software
- Publish unpaid bills to payment processor
- Download a PDF to attach to posted transactions in bank feed

SUGGESTED TOOLS



2. Review A/P report & pay bills

- Check that all prior payments have been released
- Check for outstanding bills
- Pay/schedule to pay bills that are due
- Review uncashed checks
- Ensure bill payments are approved (if using a third-party app)



3. Reconcile sales & additional accounts (if applicable)

- Reconcile deposits from the POS system, payment processors (e.g. Stripe), and other accounts (e.g. PayPal) in client's accounting system

PROCESS

4. Reconcile bank & credit card transactions

- Code transactions as needed
- For transactions with questions, make a comment to the client (or mark as uncategorized expenses until input received from client)
- Create bank feed rules as appropriate
- Review uncashed checks
- Review year-to-date P&L and Balance Sheet for coding accuracy (if applicable)



5. Run & review relevant reports (if applicable)

- Depending on client service level, review key reports for any inaccuracies
- Double-check everything is captured and calculated correctly (e.g., includes Sales & Use tax [US] and VAT [UK])

General Ledger:  

Reporting:  

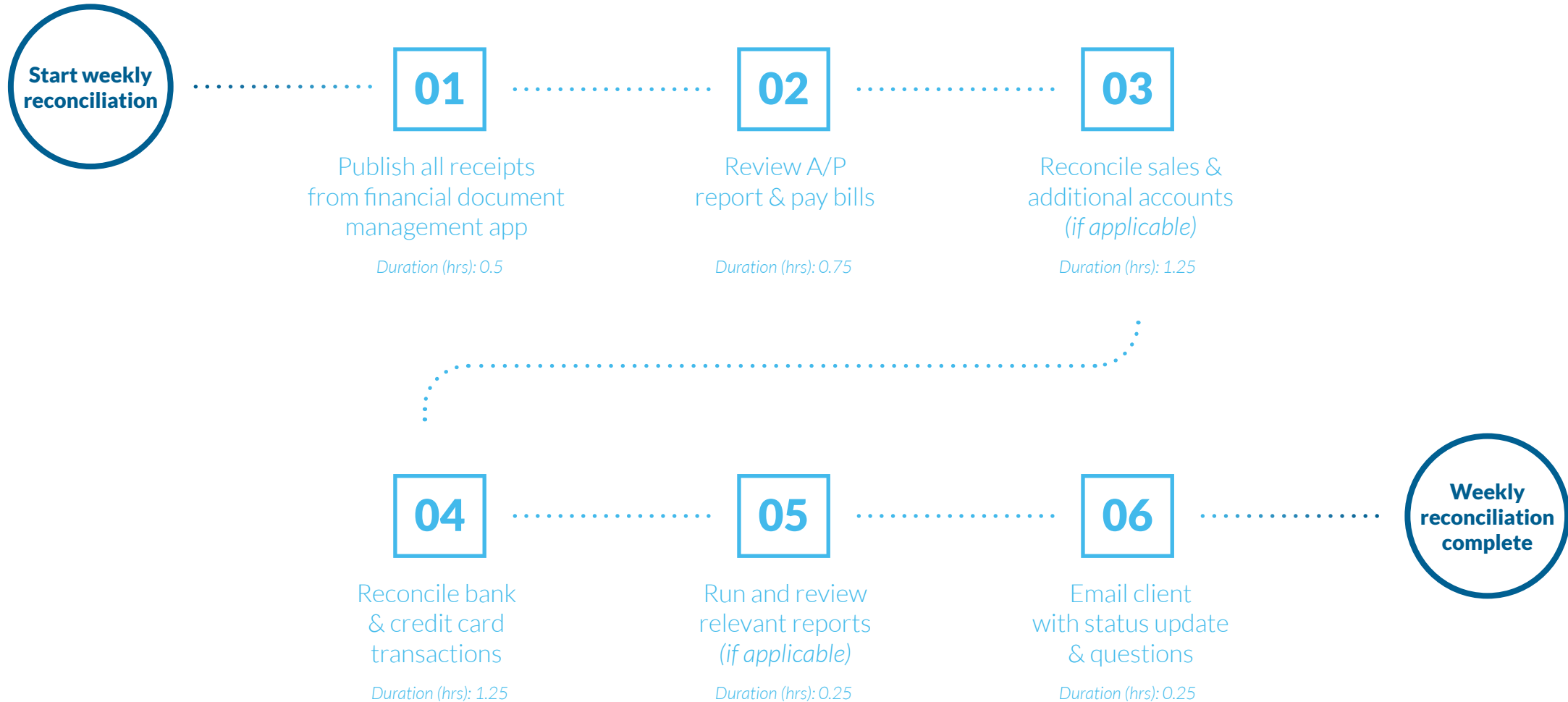
6. Email client with status update & questions

- Provide client with basic weekly reporting / status (e.g. cash position, list Uncategorized Expenses as an account for review)



Process Overview

Owner: Bookkeeper



MONTH-END CLOSE PROCESS & CHECKLIST

Complete month-end close adjustments

2.1a

Process & Technology

PROCESS

1. Collect & upload all statements

- Collect bank, credit card, PayPal, and other statements either from the financial institution, Hubdoc, or paper statement from client

2. Ensure bookkeeping is complete

- Check that the weekly (and overall) bookkeeping process is marked complete
- If incomplete, complete weekly bookkeeping and come back to month-end close process – this includes reconciling accounts, reclassifying uncategorized transactions, clearing suspense accounts, and calculating related taxes (e.g., sales & use tax, VAT, GST, PAYG)

3. Follow-up with client on any missing information

- This includes any missing bank statements, questions from bookkeeping, and related coding issues

SUGGESTED TOOLS



PROCESS

4. Make adjusting entries

- Record amortized prepaid expense, monthly depreciation to fixed assets, and accrued expenses

5. Complete necessary reconciliations

- Run reconciliation report for each current asset account from the accounting system
- Match the reconciliation report numbers with the statement balances
- For QBO, complete the necessary reconciliation within QBO

6. Create & compile financial reports

- Run all necessary financial reports including P&L, Balance Sheet, AP, and AR reports
- Review the above reports and look for appropriate balances and activity; compile them together and notify the assigned Accountant for review

SUGGESTED TOOLS



General Ledger:  

Reporting: 




Process & Technology

PROCESS

7. Review financial reports for errors

- Review financial reports for incorrect balances for account types
- Review financial reports against previous periods
- If corrections were made, send work to assigned Bookkeeper to re-start month-end close process

8. Interpret financial data for client meeting

- Interpret the financial data for client meeting
- Prepare management report, notes, set agenda, and determine key talking points

9. Publish & issue management report

- Prior to monthly advisory meeting, either publish & issue management report or upload compiled financial reports (to file sharing application) and share with client (via links or client portal)
- Send the client the agenda and key talking points

SUGGESTED TOOLS

General Ledger:  

Reporting:  

 KARBON

Management report:  

Client interaction:  KARBON

PROCESS

10. Advise client

- Conduct client advisory meeting (face-to-face or video conference)

11. Follow-up with client

- Email client a summary of the client meeting and schedule next month's meeting
- Document client meeting notes in client record

12. Close books & update documentation

- Close books, mark work complete, and notify other team members of this status
- Relay any changes to client's process to assigned Bookkeeper

SUGGESTED TOOLS



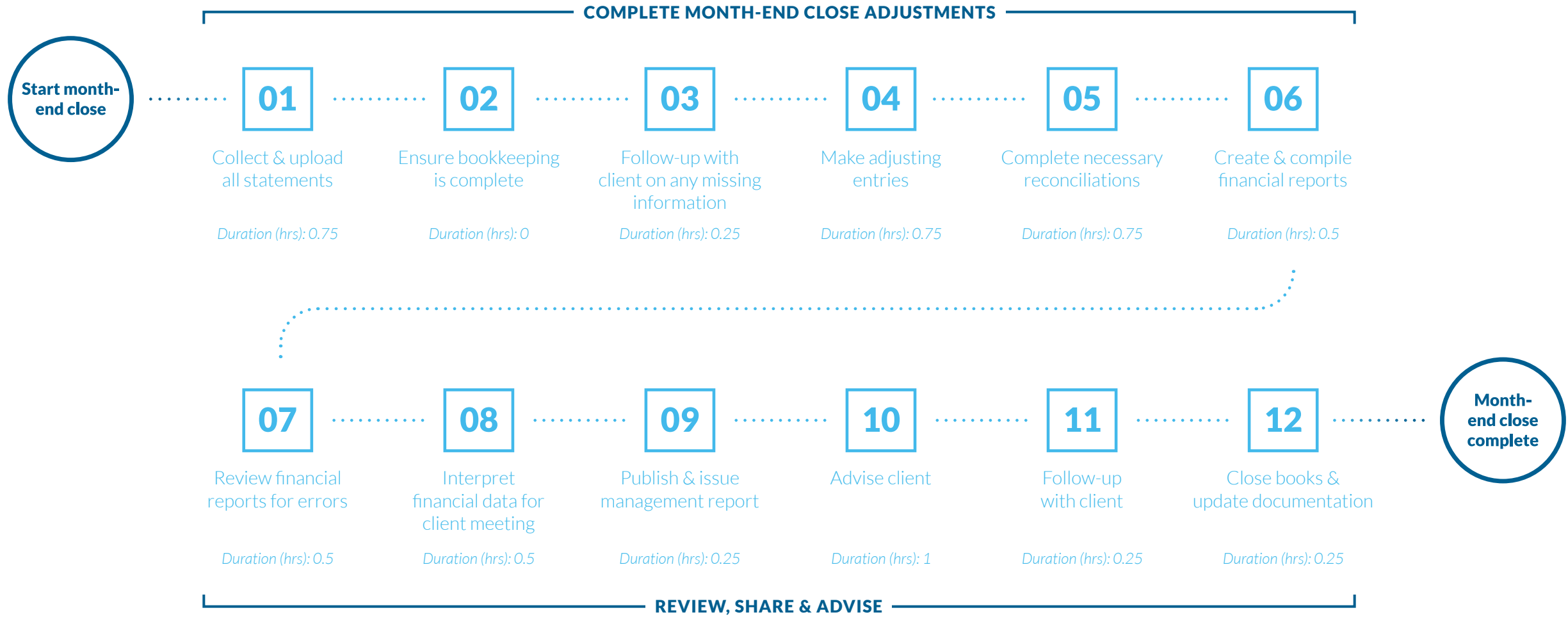
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 KARBON

Process Overview

Owner: Accountant



Standardizing for efficiency

Bank reconciliation is often up there on the list of any accountant, bookkeeper, or small business owner's least favorite tasks (often eliciting reactions that range somewhere between **"Bank reconciliations... I know eeeww!"** and **"I'd rather face root canal surgery with no anaesthetic than do bank reconciliations."**).

However, firms who have a handle on bank reconciliation don't feel this way. They are successful because they're able to catch discrepancies quickly (while their client still has the details on their mind). As a result, they can resolve any issues before they escalate.

By systematizing necessary tasks such as bank reconciliation and month-end close, they're able to gather accurate and complete data, which translates into better, faster client advice.

Standardizing your firm's foundational processes will help you gain efficiency, which leads to increased profitability because you'll be able to produce high quality work, deliver timely results, increase predictability, and enable flexibility. Moreover, these efficiency gains will allow you and your staff to do more of the work that you enjoy doing.

Document your workflows, focus on continuous improvement, embrace technology, and watch your firm skyrocket to a new level of efficiency!



Checklist Overview

Follow the link below to access the condensed list of steps in our Weekly Reconciliation and Month-End Close Checklist. Use this document as a starting point – add your own requirements and update them as you optimize your processes.

To modify the checklist:

1. Click here to access the checklist via Google Sheets.
2. In the Google Sheet, click “File” in the top left corner.
3. a) Select “Make a copy” to create an editable version of the document in Google Sheets.
b) Or, select “Download as” and select your preferred format. (You’ll be able to download the document as an Excel file or CSV.)

[ACCESS THE CHECKLIST](#)

Acknowledgements

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Jelena Arkula,
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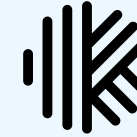
Carla Cadwell, Cadwell
[Consulting & Training](#)

Kellie Parks,
[Calmwaters Cloud Accounting](#)

Steph Hinds,
[Growthwise](#)

Alan Hemingway,
[Hemingway Bailey](#)

Bruce Phillips,
[HPC Accounting & Tax](#)



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