

Month-End Financial Close

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The work, ownership, and evidence required to produce reliable monthly numbers on time.

PROCESS OWNER Controller	CLOSE WINDOW Business days 1-5	FINAL APPROVAL Day 5 by 3:00 p.m.
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PURPOSE AND CLOSE STANDARD

Close the prior month only after cash, revenue, payables, payroll, and inventory balances have been reconciled. The owner reviews material exceptions; the controller owns the routine close.

FIVE-DAY CLOSE SCHEDULE

DAY	CLOSE ACTIVITY	RESPONSIBLE	REQUIRED EVIDENCE
1	Lock the prior month; post sales, receipts, bills, and customer credits.	Bookkeeper	Sales summary, deposit report, AP entry log
2	Reconcile bank accounts, credit cards, payment processors, AR, and AP.	Bookkeeper	Statements, reconciliations, AR/AP aging
3	Post payroll and inventory accruals; investigate count and freight variances.	Bookkeeper + operations	Payroll report, count summary, variance notes
4	Review P&L and balance-sheet changes against the prior month and budget.	Controller	Review copy with explanations for material changes
5	Resolve open items, lock the period, and issue the management package.	Controller	Final reports and signed close checklist

REVIEW RULES

THE CLOSE IS COMPLETE WHEN

Bank and card balances tie to statements; clearing accounts are empty or explained; revenue and expense cutoff is complete; and every material variance has a written explanation.

THE OWNER REVIEWS ONLY

Unusual transactions above \$5,000; any unresolved cash difference; gross-margin movement above three percentage points; and overdue receivables above \$10,000.

MONTHLY OUTPUT Profit & loss | Balance sheet | Cash summary | AR/AP aging | Variance commentary