



# Monthly Bookkeeping Checklist

This checklist is designed for **small nonprofits with limited staff** and ensures financials stay accurate, compliant, and board-ready.

## Monthly Bookkeeping Close Checklist

### ◆ Step 1: Record All Transactions

- ✓ Enter all income (donations, grants, program revenue)
- ✓ Enter all expenses (bills, purchases, reimbursements)
- ✓ Assign correct categories and funds (restricted/unrestricted)
- ✓ Attach receipts and documentation (if available)

### ◆ Step 2: Review Accounts Payable & Receivable

- ✓ Record all outstanding bills
- ✓ Verify bills are approved before payment
- ✓ Pay due bills
- ✓ Record incoming payments
- ✓ Review outstanding invoices (if applicable)

### ◆ Step 3: Reconcile Bank & Credit Card Accounts

- ✓ Match all transactions to bank statements
- ✓ Investigate and resolve discrepancies
- ✓ Confirm ending balances match

👉 **This is one of the most important steps—do not skip**

### ◆ Step 4: Review General Ledger

- ✓ Check for uncategorized transactions
- ✓ Look for duplicate entries
- ✓ Verify correct coding of expenses and revenue
- ✓ Ensure grant and program coding is accurate



### ◆ **Step 5: Track Grants & Restricted Funds (May be done quarterly)**

- ✓ Review each grant balance
- ✓ Confirm expenses align with restrictions
- ✓ Ensure no restricted funds are used incorrectly
- ✓ Update grant tracking reports

### ◆ **Step 6: Payroll Review (if applicable)**

- ✓ Verify payroll entries are recorded
- ✓ Confirm payroll taxes are accounted for
- ✓ Reconcile payroll accounts

### ◆ **Step 7: Prepare Financial Reports**

Generate:

- ✓ Statement of Financial Position (Balance Sheet)
- ✓ Statement of Activities (Income Statement)
- ✓ Budget vs Actual Report

Optional:

- ✓ Program or grant reports

### ◆ **Step 8: Internal Review**

- ✓ Review reports for accuracy
- ✓ Identify unusual or large transactions
- ✓ Check for missing data
- ✓ Confirm reports are complete

### ◆ **Step 9: Leadership Review**

- ✓ Executive Director reviews reports
- ✓ Treasurer or Board receives reports
- ✓ Prepare summary notes (if needed)

### ◆ **Step 10: Save & Organize Records**

- ✓ Save reports in shared folder
- ✓ Store bank statements and reconciliations
- ✓ Ensure documentation is complete



## Monthly Red Flags Checklist

Watch for:

- Missing transactions
- Large unexplained expenses
- Negative cash balance
- Late reconciliations
- Misuse of restricted funds

## Recommended Timeline

- Complete bookkeeping by: **10th–15th of each month**
- Deliver reports by: **15th–20th of each month**