MONTHLY BOOKKEEPING CHECKLISTFOR SMALL BUSINESS OWNERS

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Monthly Bookkeeping Checklist for Small Business Owners

12 Tasks to Complete Every Month to Keep Your Books Clean and Tax-Ready For Small Business Owners & Founders

2026 Edition

WHY THIS CHECKLIST EXISTS

Most small business financial problems are not caused by bad business decisions — they are caused by bookkeeping that was skipped, delayed, or done inconsistently. Unreconciled accounts, missing receipts, and unreviewed reports create problems that compound quietly for months and then become expensive to fix at tax time.

This checklist covers the 12 bookkeeping tasks every small business should complete each month — without exception. Work through each item before closing out the month. A clean set of books is not just a tax compliance tool. It is the financial visibility your business needs to make good decisions.

SECTION - A

Bank & Account Reconciliation

01 | ☐ | Reconcile All Business Bank Accounts

Compare every transaction in your accounting software (QuickBooks, Xero, Wave, etc.) against your bank statement for the month. Every deposit and withdrawal should match. Unreconciled accounts are the single most common source of inaccurate financials. Do not carry unreconciled months forward - each unreconciled month makes the next one harder to fix.

02 | ☐ | Reconcile All Business Credit Card Accounts

Reconcile every business credit card statement against your accounting records. Every charge should be categorised and matched. If a team member uses a company card, collect receipts and confirm all charges are legitimate and correctly coded before closing the month. Missing credit card reconciliation is a leading cause of overstated expenses and missed deductions.

03 | □ | Review and Clear Outstanding Checks and Transfers

Identify any checks or bank transfers issued in previous months that have not yet cleared. Outstanding items older than 90 days should be investigated — they may indicate errors, fraud, or payments that were never received. Do not allow stale outstanding items to accumulate month after month without review.

SECTION - B

Income & Accounts Receivable

04 | □ | Record All Revenue for the Month

Confirm that all income received during the month — sales, service fees, deposits, retainers, refunds received — is recorded in your accounting system in the correct period. Revenue recorded in the wrong month distorts your profit and loss report and creates tax filing complications. If you use accrual accounting, ensure revenue is recognised when earned, not when received.

05 | □ | Review Accounts Receivable and Chase Overdue Invoices

Pull your accounts receivable ageing report. Any invoice overdue by more than 30 days should trigger a follow-up. Invoices overdue by more than 60 days should be reviewed for collectability and flagged for potential write-off. Uncollected revenue that sits on your books inflates your reported income without reflecting actual cash — a problem that compounds at tax time.

06 | □ | Review Customer Deposits and Deferred Revenue

If your business accepts deposits or pre-payments, confirm that unearned amounts are recorded as liabilities — not income - until the service or product is delivered. Misclassifying deposits as revenue overstates your taxable income. Review your deferred revenue balance monthly to ensure it moves to income correctly as obligations are fulfilled.

SECTION - C

Expenses & Accounts Payable

07 | □ | Categorise and Code All Expenses Correctly

Review every expense transaction for the month and confirm it is assigned to the correct chart of accounts category. Miscoded expenses — meals coded as office supplies, personal charges mixed with business expenses, capital purchases coded as operating costs — create inaccurate financials and incorrect tax deductions. Correct miscoding in the same month it occurs, not at year-end.

08 | □ | Collect and File All Receipts and Supporting Documents

For every business expense over the IRS substantiation threshold, you need a receipt. Confirm receipts are collected, named, and stored against the correct transaction in your accounting system — not sitting in an email inbox or a phone camera roll. Missing receipts disqualify deductions under audit. A one-time filing habit each month costs minutes; recreating receipts at year-end can be impossible.

09 | □ | Review Accounts Payable and Confirm Upcoming Obligations

Pull your accounts payable ageing report. Confirm all outstanding vendor invoices are recorded and that upcoming payment due dates are flagged. Paying vendors late damages supplier relationships and can trigger interest charges. Missed vendor invoices that are discovered late create prior-period adjustments that complicate your books. Review payables monthly without exception.

SECTION - D

Reporting & Month-End Close

10 | □ | Review Your Profit & Loss Statement for the Month

Once reconciliation and coding are complete, pull your monthly profit and loss report and review it critically. Compare revenue and expense line items to the prior month and prior year. Any line item that looks significantly different - higher or lower — should have an explanation. If you cannot explain a variance, investigate before closing the month. Your P&L is only useful if you read it.

11 | □ | Review Your Balance Sheet for Accuracy

Pull your balance sheet and review key balances: cash matches your reconciled bank accounts, accounts receivable reflects actual outstanding invoices, accounts payable reflects actual outstanding bills, and owner equity movements are correctly recorded. A balance sheet that does not balance - or that carries unexplained balances in suspense accounts - indicates unresolved errors that will compound over time.

12 |□ | Run a Payroll Reconciliation (If Applicable)

If your business runs payroll, reconcile total payroll expense for the month against your payroll provider's reports. Confirm that payroll tax deposits were made on time and in the correct amounts. Reconcile payroll liabilities on your balance sheet. Payroll errors are among the most time-consuming to correct retroactively — review them monthly while the detail is current.

HOW TO USE YOUR RESULTS

12 / 12

Books Are Clean and Current. Your financials are accurate and tax-ready. Close the month and carry the habit forward.

9 – 11 / 12

Almost There. Complete outstanding tasks before moving into the next month. Do not carry incomplete reconciliations forward - they compound.

8 or below

Your Books Need Attention. Incomplete monthly bookkeeping creates cumulative errors that are expensive to fix. Consider engaging a professional bookkeeper to catch up and set up a sustainable monthly process.

Let Countsure Handle Your Monthly Bookkeeping

Countsure provides dedicated monthly bookkeeping services for US small businesses and the CPA firms that serve them. Our team handles reconciliations, expense coding, monthly reporting, and year-end tax prep support — so you always know exactly where your business stands.

Get a Free Bookkeeping Assessment

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