



CUSTOMIZED ACCOUNTING SERIES
Month-End Close: Best Practices

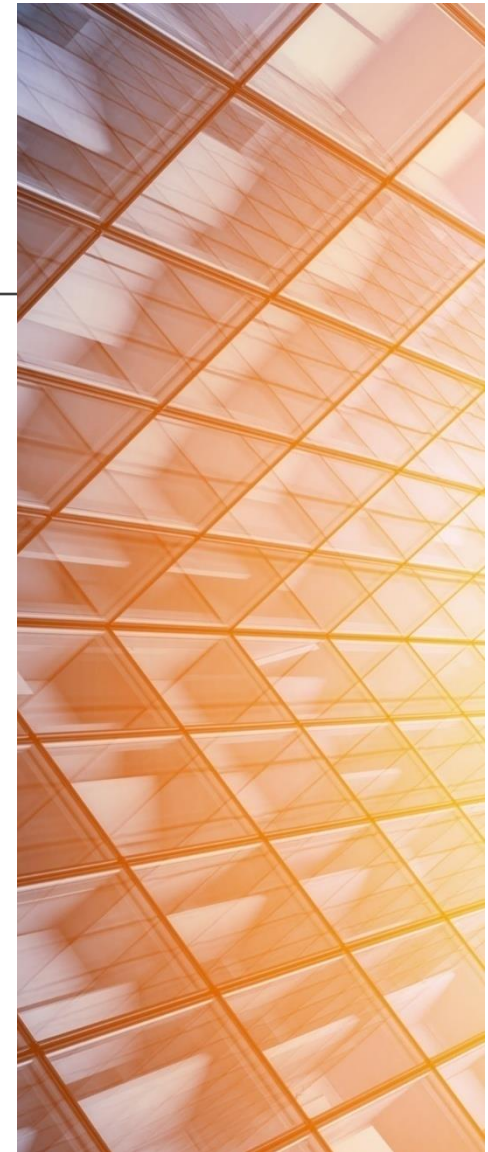
October 1, 2025

Disclaimer

The materials presented are for informational purposes only and not for the purpose of providing tax or legal advice.

It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a business issue.

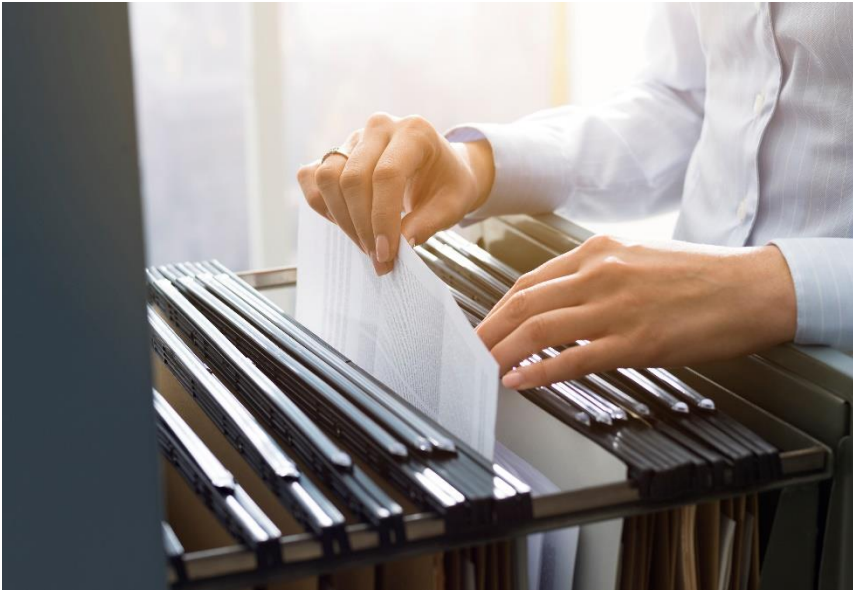
You should contact your accountant or attorney to obtain advice with respect to any particular issue or problem.





Opening Remarks

PATRICK BEARJAR, CPA



Month-End Matters

Ensuring Accuracy and
Accountability in Financial
Reporting

Presented by,

Marlissa Cinko, CAS Manager



What is Month End Close?

- Structured review process of all financial activity and performance to ensure accuracy and completeness
- Supports quarter-end and year-end closes





Why Does it Matter?

- Decision Making
- Compliance and Reporting
- Fraud Detection
- Cash Flow Management
- Efficiency
- Stakeholder Confidence

			Month											
Step #	Procedures	Individual Responsible	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash														
1	Prepare bank reconciliation for all cash accounts													
	- Operating Account	Staff	X	X	X	X	X	X	X	X	X			
	- Payroll Account	Staff	X	X	X	X	X	X	X	X	X			
	- Money Market Account	Staff	X	X	X	X	X	X	X	X	X			
2	Review bank reconciliations for accuracy	Management	X	X	X	X	X	X	X	X	X			
3	Review outstanding check list for checks aged 60+ days	Management	X	X	X	X	X	X	X	X	X			
Fixed Assets														
1	Review general ledger for new fixed asset additions; record entries to capitalize.	Staff	X	X	X	X	X	X	X	X	X			
2	Maintain a folder of invoices of new assets	Management	X	X	X	X	X	X	X	X	X			
3	Record monthly depreciation estimate	Management	X	X	X	X	X	X	X	X	X			
Credit Card Liabilities														
1	Management reviews all credit card statements; codes transactions	Staff	X	X	X	X	X	X	X	X	X			
2	Reconcile credit card accounts	Staff	X	X	X	X	X	X	X	X	X			
3	Review reconciled credit card accounts for accuracy	Management	X	X	X	X	X	X	X	X	X			
Notes Payable / Long Term Liabilities														
1	Review notes payable balances and agree to loan statements	Management	X	X	X	X	X	X	X	X	X			
2	Review LOC general ledger and agree to last statement	Management	X	X	X	X	X	X	X	X	X			
Revenues														
1	Record monthly AR billings and AR payments	Staff	X	X	X	X	X	X	X	X	X			
2	Reconcile AR Aging or subledger to general ledger	Management	X	X	X	X	X	X	X	X	X			
Expenses														
1	Record monthly AP invoices and AP payments	Staff	X	X	X	X	X	X	X	X	X			
2	Record bi-weekly payroll entry	Staff	X	X	X	X	X	X	X	X	X			
3	Review expenses for prepaid expenses	Management	X	X	X	X	X	X	X	X	X			

Approvals

Date Completed

1/15/21

Prepared By (Staff)

Staff

Prepared by (Management)

Management

Final Approval (Controller/CFO)

CFO




Financial Foundations

Optimizing Your Chart of Accounts for Growth

Presented by,

Marlissa Cinko, CAS Manager

Understanding the Chart of Accounts



Backbone of
Financial
System

Categorizes
and Tracks
Transactions

Provides
Clear View of
Financial Data

Benefits of Optimization



- Accurate Financial Reporting
- Meaningful Insights
- Compliance and Audit Readiness



Strategies for Optimization

- Tailoring to Your Business
- Simplification and Consolidation
- Regular Review and Updates

Conclusion

Optimizing your chart of accounts leads to clearer financial insights, better decision-making, and stronger financial management



Example of Chart of Accounts

Messy vs. Clean Chart of Accounts

Messy	
41	Cash
28	Accounts Receivable
50	Inventory
80	Equipment
56	Loan Payable
30	Owner's Draw
10	Sales Revenue
20	Rent Expense
31	Office Supplies

Clean	
Account No.	Account
01	Cash
02	Accounts Receivable
03	Inventory
04	Equipment
05	Loan Payable
06	Owner's Draw
07	Sales Revenue
08	Rent Expense

Laying the Groundwork

The Importance of a
Pre-Close Checklist

Presented by,

Marlissa Cinko, CAS Manager



Pre-Close Checklist

What is it?



- Organizes financial tasks whether it be for one individual or a team
- Gives responsibility to an individual for certain areas of the company
- Ensures data accuracy and completeness, reduces errors and speeds up the closing process

Pre-Close Review Summary



- Verify transaction accuracy & account reconciliations
- Track progress, assign tasks, stay on schedule
- Can be wrapped up in your month-end checklist

Example of a Pre-Closing Checklist

Review transactions

Emily Martin



Check data accuracy

Jacob Lee



Reconcile accounts

Olivia Taylor



Assign tasks

Michael Harris



From Messy to Meaningful

Optimizing Data Through
Validation & Cleanup

Presented by,
Marlissa Cinko,
CAS Manager





Procedures to Validate and Cleanup the Data

- Run preliminary a trial balance and review for anomalies
 - Unbalanced totals
 - Unusual/unexpected account balances
 - Transposition errors (e.g., \$15K vs. \$51K)
- Clear suspense accounts and investigate unusual balances



Procedures to Validate and Cleanup the Data

- Validate subledger to general ledger reconciliations
 - Accounts Receivable or Payable Ledger – Do they match the AR or AP Aged Reports?
 - Fixed Asset Ledger
 - Inventory Ledger
- Ensure accruals and deferrals are identified/documentated



Beyond the Close

Understanding Your Balance Sheet, P & L, and Key Ratios

Presented by,

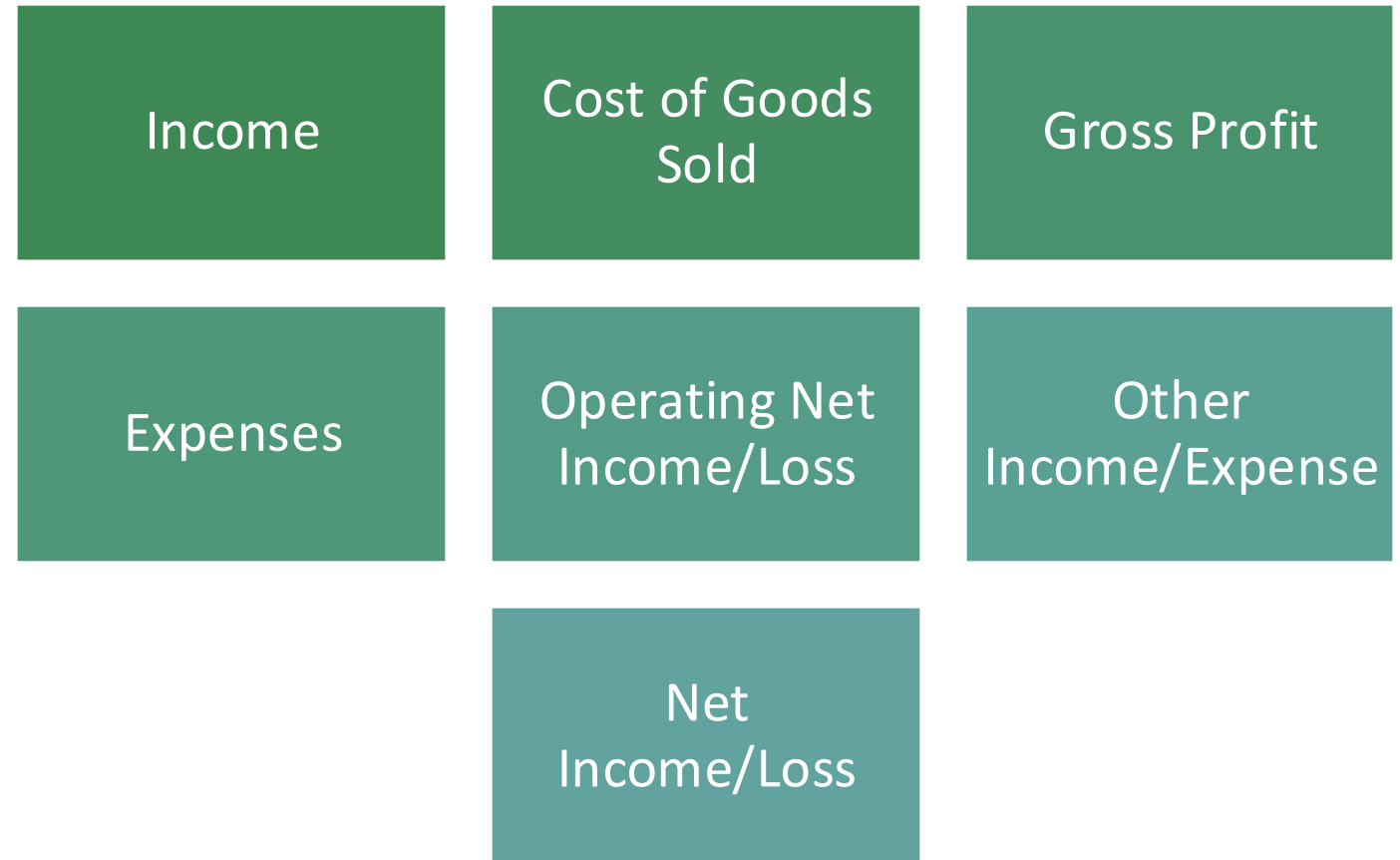
Mary Ellen Denny, CPA,
CAS Principal

Balance Sheet Overview

- Current Assets
- Fixed Assets
- Other Assets
- Current Liabilities
- Long-Term Liabilities
- Equity



P&L Overview



Key Ratios

Current Ratio = $\text{Current Assets} / \text{Current Liabilities}$

- **Current Assets** – Cash, Notes Rec, AR, Inventory

– Items likely converted to cash in less than 1 year

- **Current Liabilities** – AP, Accrued Expenses, S/T Notes, Taxes – Items likely paid out in cash in less than 1 year

Quick Ratio = $(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$

Key Ratios

- Accounts Receivable Days Outstanding
 - $(\text{Average Monthly AR} \times 30) / (\text{Annual Sales}/12)$
 - Ex: $(\$2,000 \times 30) / (\$18,000/12) = 40 \text{ Days}$
 - Ex: $(\$3,000 \times 30) / (\$18,000/12) = 60 \text{ Days}$





Key Ratios

- Inventory Turns
 - Annual Cost of Sales / Avg Monthly Inventory
 - Ex: $\$12,000 / \$1,500 = 8$ Turns
- Months of Inventory = $12/\text{Turns}$
 - Ex: $12 / 8 = 1.5$ Months of Inventory

Key Ratios

Debt to Worth =
Total Liabilities /
Net Worth

Net Worth as a %
of Assets = Net
Worth / Net Assets



Key Ratios

- Gross Profit Percentage = $\frac{\text{Gross Profit}}{\text{Net Sales}}$
 - Provide amount available for Selling, G&A and Profit
 - Low GP% could mean
 - Merchandise costs are too high compared to selling price
 - Prices are not in line with market prices

Key Ratios

- Return on Investment (ROI)
 - $\text{Net Profit (Pre-Tax)} / \text{Net Worth}$
- Return on Assets (ROA)
 - $\text{Net Profit (Pre-Tax)} / \text{Total Assets}$





Key Ratios

- Debt Service Coverage Ratio (DSCR)
 - Requires a minimum ratio of a Company's net operating income (NOI) to its total debt service
 - A typical covenant may require a DSCR of 1.25, meaning the Company's income must cover its debt payments 1.25 times
- Benchmark Reporting for Common Ratios for your Industry



Board & Management

Monthly Reporting

Presented by,
Patrick Bearjar, CPA
Shareholder

Board Objectives

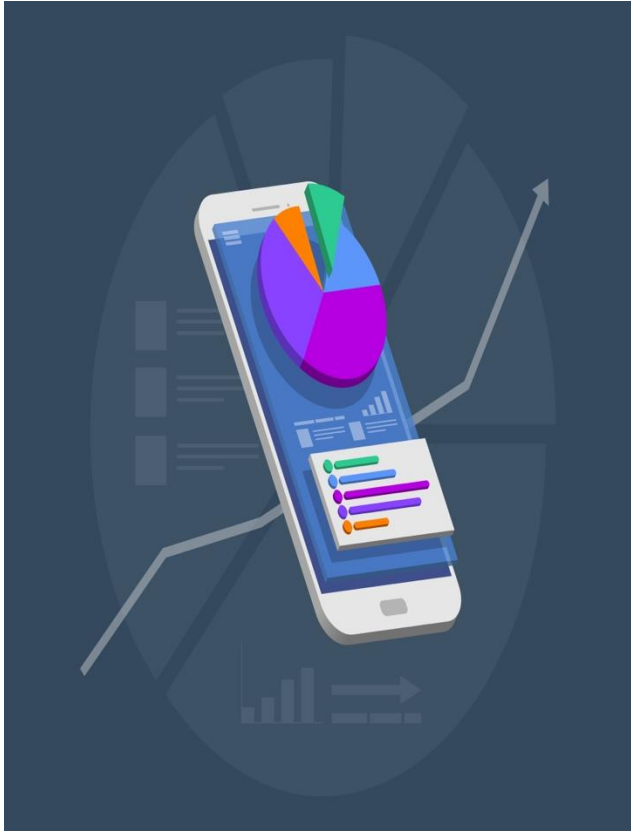
- Company Governance
 - Understand the risks facing the organization (internal/external)
- Strategic and Business
 - 1 year up to 5-year plans – Includes “Vision and Mission Statements”
 - Strategies for Profitable Growth (organic or mergers and/or acquisitions)
- Forecast Plan Monitoring
 - Use of profit and loss statements, balance sheets, cash flows, sales forecast, key metrics and targets
 - Worst- and Best-case scenarios
 - Trending Analysis
- Industry Insight
 - Know your competition
 - Learn from competition
 - Emerging technologies

Strategic Approach Board Reporting

- Know Your Audience
 - Tailor the report to the board's level of expertise and strategic focus.
 - Avoid overly technical jargon unless the board is familiar with it.
 - Focus on what matters most to the board: strategy, risk, performance, and governance
- Be Clear and Concise
 - Use executive summaries to highlight key points.
 - Keep the report brief but comprehensive—ideally under 10 pages unless necessary.
 - Use bullet points, charts, and tables to make data digestible.
- Align with Meeting Agenda
 - Structure the report to match the board meeting agenda.
 - Ensure each section supports a decision or discussion point

Strategic Approach Board Reporting

- Focus on Strategic Insights
 - Go beyond reporting data—analyze trends, risks, and implications.
 - Include KPIs, financials, and operational metrics with context.
 - Highlight areas needing board input or approval.
- Use Visuals Effectively
 - Include graphs, dashboards, and infographics to simplify complex data.
 - Make sure visuals are labeled clearly and support the narrative.
- Ensure Accuracy and Timeliness
 - Double-check all figures and facts.
 - Deliver the report well in advance of the meeting to allow board members time to review.
- Include Supporting Documents
 - Attach appendices for detailed financials, legal documents, or operational reports.
 - Provide links or references to deeper materials if needed.



Final Tips & Takeaways

Presented by,
MaryEllen Denny, CPA,
CAS Principal

Customized Accounting Solutions Seminar

Save the Date

- December 11, 2025, Virtual @ 10 a.m.
- Bill Platform (AP, AR & Spend & Expense)
- Year-End Payroll
- 1099 Update
- Registration will be available soon!!

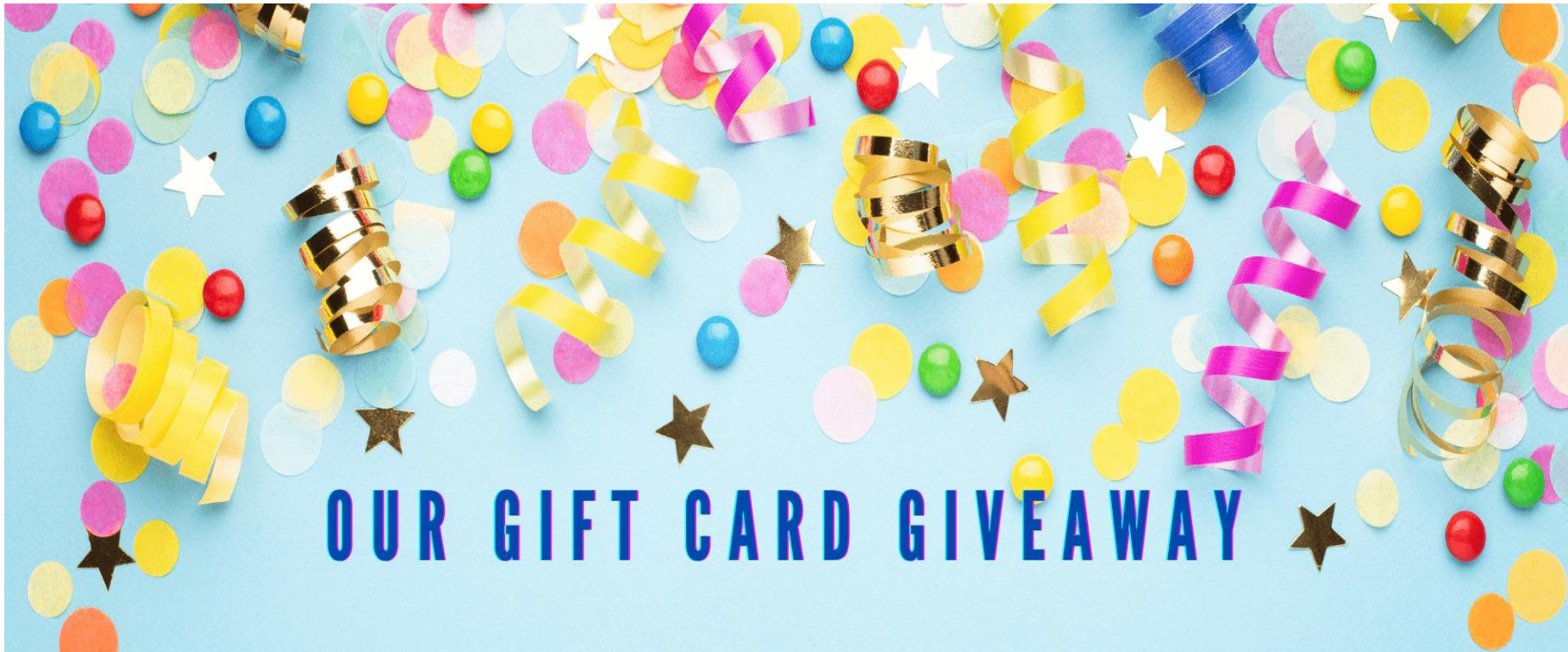
Big Beautiful Tax Seminar

- November 25, 2025
- Sunnehanna Country Club
- Event 3:00 p.m. - 5:00 p.m.
- Cocktails 5:00 p.m. - 6:30 p.m.
- 1.5 CPE Credit (other)



A woman with blonde hair and glasses, wearing a patterned blouse, stands in front of a large window, gesturing with her hands. She is addressing a group of people seated in the foreground. The seated individuals, including a man with a beard and glasses and a woman with dark hair, are looking towards her. The background shows a view of a city building through the window. A semi-transparent white box with the text "QUESTIONS?" is overlaid on the right side of the image.

QUESTIONS?



WESSEL & COMPANY
ACCOUNTANTS & ADVISORS



Thank you!

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