KUNKEL ACCOUNTING AND CONSULTING

Sample Corporate Month-End Close & Reconciliation Package

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ABOUT THIS PACKAGE

- This package illustrates the monthly close and balance sheet reconciliation work I perform — journal entries, account reconciliations, workbook preparation, and analytical review.
- Figures are for a fictional company (Meridian Supply Co.) and are illustrative only.
- Every reconciliation ties to the general ledger, and the Reconciliation Control Summary gives a one-page view of close status.
- Adjusting entries identified during reconciliation are documented on the Journal Entries tab, with debits equal to credits and a workpaper reference for each.
- The flux analysis flags month-over-month movements above a set threshold so unusual items get reviewed and explained.
- All schedules include built-in tie-out and cross-check controls that flag any out-of-balance condition before the package is delivered for review.

MERIDIAN SUPPLY CO.

BALANCE SHEET RECONCILIATION CONTROL SUMMARY — Month Ended March 31, 2025

PURPOSE: One-page close status for every balance sheet account — GL balance, supported (reconciled) balance, variance, and sign-off. Variances must be zero.

Account	GL #	GL Balance	Supported Balance	Variance	Status	Workpaper	Preparer	Reviewer
Cash — operating	1000	$234,100	$234,100	-	Reconciled	WP-2	CK	—
Accounts receivable	1100	$412,300	$412,300	-	Reconciled	WP-7	CK	—
Inventory	1200	$528,400	$528,400	-	Reconciled	WP-8	CK	—
Prepaid expenses	1300	$35,800	$35,800	-	Reconciled	WP-3	CK	—
Fixed assets, net	1500	$480,950	$480,950	-	Reconciled	WP-4	CK	—
Accounts payable	2000	$287,650	$287,650	-	Reconciled	WP-5	CK	—
Accrued liabilities	2100	$72,000	$72,000	-	Reconciled	WP-6	CK	—
Credit card payable	2050	$31,800	$31,800	-	Reconciled	WP-9	CK	—
TOTAL (all reconciled accounts)		**$2,083,000**	**$2,083,000**	**-**				

TIE-OUT CHECKS					
Every account variance equals zero				-	✓ **PASS**
GL total ties to supported total		$2,083,000			✓ **PASS**
All accounts reconciled (status)		8			✓ **PASS**

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BANK RECONCILIATION — Operating Cash, March 31, 2025

PURPOSE: Reconcile the operating cash account per the bank statement to the general ledger, identifying any unrecorded items for adjustment.

BALANCE PER BANK STATEMENT	
Balance per bank statement	$248,350
Add: Deposits in transit	$18,200
Less: Outstanding checks	($32,450)
Adjusted bank balance	**$234,100**

BALANCE PER GENERAL LEDGER	
Balance per general ledger (before adjustments)	$234,640
Less: Bank service charges — not recorded (JE-01)	($85)
Less: NSF returned customer check — not recorded (JE-02)	($575)
Add: Interest income — not recorded (JE-03)	$120
Adjusted general ledger balance (reconciled cash)	**$234,100**

TIE-OUT CHECKS		
Adjusted bank balance = adjusted GL balance	$234,100	✓ **PASS**
Three unrecorded items above are posted as adjusting entries JE-01–JE	($540)	✓ **PASS**

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PREPAID EXPENSE ROLLFORWARD — March 31, 2025

PURPOSE: Roll forward each prepaid item from beginning balance through monthly amortization to ending balance, and tie the total to the general ledger.

Prepaid Item	Beginning Balance (2/28)	Additions	Amortization	Ending Balance (3/31)
Prepaid insurance	$24,000	-	($2,000)	$22,000
Prepaid software subscriptions	$9,600	-	($800)	$8,800
Prepaid rent	$10,000	-	($5,000)	$5,000
TOTAL	**$43,600**	**-**	**($7,800)**	**$35,800**
Per general ledger (after JE-07 amortization)				$35,800

TIE-OUT CHECKS				
Ending = Beginning + Additions − Amortization (each row)		✓ **PASS**		$35,800
Ending balance ties to general ledger		✓ **PASS**		$35,800
Monthly amortization recorded via adjusting entry JE-07		✓ **PASS**	($7,800)	

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FIXED ASSET & ACCUMULATED DEPRECIATION ROLLFORWARD — March 31, 2025

PURPOSE: Roll forward cost and accumulated depreciation by asset class to net book value, and tie to the general ledger.

Asset Class	Beginning (2/28)	Additions	Disposals	Ending (3/31)
COST				
Equipment	$420,000	$15,200	-	$435,200
Furniture & fixtures	$95,000	-	-	$95,000
Software	$70,000	-	-	$70,000
Leasehold improvements	$100,000	-	-	$100,000
Total cost	**$685,000**	**$15,200**	**-**	**$700,200**

Asset Class	Beginning (2/28)	Current Depreciation		Ending (3/31)
ACCUMULATED DEPRECIATION				
Equipment	$150,000	$2,800		$152,800
Furniture & fixtures	$38,000	$600		$38,600
Software	$22,000	$700		$22,700
Leasehold improvements	$5,000	$150		$5,150
Total accumulated depreciation	**$215,000**	**$4,250**		**$219,250**
NET BOOK VALUE				**$480,950**
Per general ledger, net (after JE-05 & JE-06)				$480,950

TIE-OUT CHECKS				
Current depreciation recorded via JE-05		✓ **PASS**		$4,250
Equipment reclassified from expense via JE-06 ($3,200 of additions)		✓ **PASS**		$15,200
Net book value ties to general ledger		✓ **PASS**		$480,950

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ACCOUNTS PAYABLE SUBLEDGER RECONCILIATION — March 31, 2025

PURPOSE: Reconcile the accounts payable subledger (open vendor balances) to the general ledger AP control account.

Vendor	Open Invoices	Subledger Balance
Atlas Logistics	4	$62,400
Brightline Materials	3	$48,900
Cordova Packaging	2	$39,750
Delta Freight	5	$28,300
Evergreen Utilities	1	$12,500
Forge Industrial	3	$51,200
Granite Office Supply	2	$18,600
Harbor Insurance Brokers	1	$26,000
Total per subledger	**21**	**$287,650**
Per general ledger — AP control account (2000)		$287,650

TIE-OUT CHECKS		
Subledger total ties to GL control account	✓ **PASS**	$287,650

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ACCRUED LIABILITIES RECONCILIATION — March 31, 2025

PURPOSE: Support each period-end accrual and tie the total to the general ledger accrued liabilities account.

Accrual	Basis / Support	Supported Amount
Accrued payroll	Days earned, unpaid through 3/31	$38,500
Accrued bonus	3/12 of estimated annual bonus pool	$22,000
Accrued professional fees	March legal & accounting — identified in review (JE-04)	$6,500
Accrued utilities	Estimate pending March invoices	$3,200
Accrued interest	Term loan, accrued through 3/31	$1,800
Total supported		**$72,000**
Per general ledger — accrued liabilities (after JE-04)		$72,000

TIE-OUT CHECKS		
Supported total ties to general ledger	✓ **PASS**	$72,000
$6,500 professional-fees accrual identified in review; posted via JE-04		

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ADJUSTING JOURNAL ENTRIES — March 31, 2025

PURPOSE: Document the adjusting entries identified during the close. Each entry is supported by a workpaper reference; total debits must equal total credits.

JE #	Account	Debit	Credit	Description / Support
JE-01	Bank service charges expense	$85		Bank fees per statement, not recorded (WP-2)
	Cash — operating		$85	
JE-02	Accounts receivable	$575		NSF returned customer check (WP-2)
	Cash — operating		$575	
JE-03	Cash — operating	$120		Interest income earned per bank statement (WP-2)
	Interest income		$120	
JE-04	Professional fees expense	$6,500		Accrue March legal & accounting fees (WP-6)
	Accrued liabilities		$6,500	
JE-05	Depreciation expense	$4,250		Record March depreciation (WP-4)
	Accumulated depreciation		$4,250	
JE-06	Fixed assets — equipment	$3,200		Reclassify capital equipment expensed in error (WP-4)
	Equipment expense		$3,200	
JE-07	Insurance expense	$2,000		Record monthly amortization of prepaids (WP-3)
	Software subscription expense	$800		
	Rent expense	$5,000		
	Prepaid expenses		$7,800	
TOTALS		**$22,530**	**$22,530**	

TIE-OUT CHECKS			
	Total debits = total credits	$22,530	✓ **PASS**
	Every entry carries a workpaper reference	7	✓ **PASS**

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BALANCE SHEET FLUX ANALYSIS — February 28 vs March 31, 2025

PURPOSE: Compare reconciled balances month over month. Movements of 15% or more are flagged for review and explained.

Account	Prior (2/28)	Current (3/31)	$ Change	% Change	Flag	Explanation
Cash — operating	$248,900	$234,100	($14,800)	-5.9%	—	Net of customer collections and scheduled vendor payments
Accounts receivable	$388,000	$412,300	$24,300	6.3%	—	Higher March billings; aging within terms
Inventory	$540,000	$528,400	($11,600)	-2.1%	—	Normal drawdown against March shipments
Prepaid expenses	$43,600	$35,800	($7,800)	-17.9%	⚠️ **Review**	Monthly amortization of insurance, software, and rent (expected)
Fixed assets, net	$470,000	$480,950	$10,950	2.3%	—	$15,200 equipment additions (incl. $3,200 reclassified from expense) less $4,250 depreciation
Accounts payable	$305,200	$287,650	($17,550)	-5.8%	—	Vendor payments exceeded new invoices for the month
Accrued liabilities	$61,000	$72,000	$11,000	18.0%	⚠️ **Review**	New $6,500 professional-fees accrual identified in close; higher bonus accrual
Credit card payable	$14,200	$31,800	$17,600	123.9%	⚠️ **Review**	Large software and travel charges — verify business purpose and authorization
TOTAL	**$2,070,900**	**$2,083,000**	**$12,100**			

TIE-OUT CHECKS			
$ Change = Current − Prior (colu	✓ **PASS**		$12,100
Current balances tie to Reconcili	✓ **PASS**	$2,083,000	
Items flagged for review (>= 15	**INFO**	3	

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MONTH-END CLOSE CHECKLIST — March 31, 2025

PURPOSE: Track the full close process to completion with target dates and preparer / reviewer sign-off.

Task	Workpaper	Target Date	Done	Sign-off
RECONCILIATIONS				
Operating cash / bank reconciliation	WP-2	Apr 3	✓	Preparer
Prepaid expense rollforward	WP-3	Apr 3	✓	Preparer
Fixed assets & accumulated depreciation	WP-4	Apr 4	✓	Preparer
Accounts payable subledger to GL	WP-5	Apr 4	✓	Preparer
Accrued liabilities	WP-6	Apr 4	✓	Preparer
Accounts receivable aging to GL	WP-7	Apr 3	✓	Preparer
Inventory to perpetual / count	WP-8	Apr 5	✓	Preparer
Credit card to statement	WP-9	Apr 3	✓	Preparer
JOURNAL ENTRIES				
Adjusting entries identified and posted (JE-01–07)	Tab 7	Apr 5	✓	Preparer
Debits equal credits; entries supported	Tab 7	Apr 5	✓	Reviewer
ANALYSIS & REVIEW				
Balance sheet flux prepared	Tab 8	Apr 6	✓	Preparer
Variances ≥ 15% explained; flags cleared	Tab 8	Apr 6	✓	Reviewer
Unusual transactions reviewed (credit card, large invoices)	Tab 8	Apr 6	✓	Reviewer
REPORTING & SIGN-OFF				
Financial statements prepared	—	Apr 7	✓	Preparer
Reporting package delivered to management	—	Apr 8	✓	Preparer
Manager / second review complete	—	Apr 8	✓	Reviewer

TIE-OUT CHECKS				
All checklist items complete		16	✓ **PASS**	