

TRANSACTION PATHWAY

# Month-End Financial Processes Pathway

OCTOBER 2023



Here we provide a very detailed monthly financial process as a starting point for your business. Use this as a detailed checklist of the steps you need to take, tailoring it to fit your business requirements.

Once you've got it set up to meet your requirements, save it as a "My Template", and you and your team will have consistent Financial Processes. You might even want to save each Stage as a separate Pathway in case different teams work on different actions during the yearly financial cycle. Don't forget to set tasks as "recurring" to automatically remind you of the steps required each month!

STAGE	TASKS	TASK FORMS	TASK DOCUMENTS
<b>Monthly Financial Close Process</b>	<ul style="list-style-type: none"> <li>➤ Recording of daily transaction activity in ledgers and sub ledgers throughout the month</li> <li>➤ Pre month end meeting of key stakeholders to identify key issues including special transactions, month end timing, resource constraints and other issues.</li> <li>➤ Publish month end close schedule, setting out key items and key time milestones to all stakeholders and operators.</li> <li>➤ Confirm escalation criteria.</li> <li>➤ Commence daily meetings between key stakeholders which will continue through the close period.</li> <li>➤ If relevant, reconcile main ledger with subsidiary ledgers.</li> <li>➤ Post all standard monthly journal entries and communicate to the team when complete.</li> <li>➤ Post any special, or non recurring journal entries.</li> <li>➤ Reconcile balance sheet accounts for</li> </ul>	<ul style="list-style-type: none"> <li>➤ Publish month end close schedule, setting out key items and key time milestones to all stakeholders and operators.</li> <li>➤ Confirm escalation criteria</li> </ul>	

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	<p>accounts that meet specified absolute or relative thresholds.</p> <ul style="list-style-type: none"> <li>➤ Submit balance sheet account reconciliations for review and assessment by senior individual.</li> <li>➤ Perform variations review on balance sheet accounts based on absolute and relative thresholds.</li> <li>➤ Perform variations review on income statement accounts based on absolute and relative thresholds.</li> <li>➤ Generate draft monthly financial statements and circulate to all key stakeholders.</li> <li>➤ Meeting amongst all key stakeholders to review draft financial statements.</li> <li>➤ If applicable, develop required adjusting journal entries to rectify identified issues.</li> <li>➤ Generate final financial statements.</li> <li>➤ Obtain sign off from key stakeholders on final financial statements.</li> <li>➤ Compare actual financial statements with plan to identify variances.</li> <li>➤ Analyze variations that exceed absolute or relative thresholds.</li> <li>➤ Communicate results of variations analysis to key stakeholders for assessment.</li> <li>➤ Hold post month end de brief meeting to review how the month end process went</li> </ul>	<ul style="list-style-type: none"> <li>➤ Submit balance sheet account reconciliations for review and assessment by senior individual</li> <li>➤ Generate draft monthly financial statements and circulate to all key stakeholders.</li> <li>➤ Generate final financial statements</li> </ul>	

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	and identify any possible process improvements.		