Monthly bookkeeping checklist

Twelve jobs to finish every month so your books stay accurate and nothing surprises you at tax time. Tick each one off.

Month: _____ Business: _____ Done by: _____

- [ ] **1. Reconcile every bank and card account**
  Match each transaction in your books to the bank statement until the balances agree. Investigate anything that does not match, however small.

- [ ] **2. Record and match all sales invoices**
  Check every invoice you raised is in the books and that each payment received is matched to the right invoice.

- [ ] **3. Enter and match supplier bills**
  Record bills as they arrive, then match them to payments. Put unpaid bills in your cash flow plan.

- [ ] **4. Capture every receipt**
  Photograph or forward receipts for the month, and attach them to the matching bank line. You need them for the retention period, which is at least 5 years after 31 January for sole traders and 6 years for companies.

- [ ] **5. Code and review uncategorised items**
  Clear anything sitting in suspense or 'uncategorised'. Ask yourself whether each cost is wholly and exclusively for business.

- [ ] **6. Chase overdue invoices**
  Send reminders for anything past its due date. Business customers can be charged statutory late payment interest and fixed compensation.

- [ ] **7. Check payroll and PAYE**
  Confirm payroll journals are posted and the PAYE, National Insurance and pension liabilities agree with what you owe HMRC. Payments are normally due by the 22nd.

- [ ] **8. Review VAT codes**
  If you are VAT registered, scan for transactions with the wrong VAT rate or code before the quarter ends, not after.

- [ ] **9. Update your mileage and home-working log**
  Add the month's business journeys and any home-working hours so nothing is reconstructed from memory at year-end.

- [ ] **10. Check the director's loan account**
  For limited companies, make sure money taken out or put in is coded correctly, and watch the balance so you do not end up overdrawn at year-end.

- [ ] **11. Run your profit and loss and cash reports**
  Compare this month with last month and with the same month last year. Anything that surprises you is worth a closer look.

- [ ] **12. Back up and note the deadlines**
  Make sure your records are backed up, and put the next VAT, PAYE, Self Assessment or Companies House deadline in your diary.

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