

Streamlining Your Monthly Financial Close

Audience: finance leaders and controllers aiming to shorten close time while improving accuracy and auditability.

1) Close Objectives

- Speed: define a target close (e.g., 5 business days) aligned to business needs.
- Accuracy: reconciled, supportable balances with clear ownership.
- Auditability: evidence retained, approvals logged, and policies documented.

2) Close Calendar & RACI

- Day 0 prep: calendars, assignments, prior-month lessons learned.
- D1-D3: cash/bank/credit card recs, revenue recognition, accruals/deferrals, payroll entries, fixed assets, inventory adjustments.
- D4-D5+: flux analyses, intercompany, consolidations, tax accruals, management reporting package.
- RACI: assign responsible/approver/consulted/informed for each task; publish deadlines and dependencies.

3) Core Workflows

- Banking: daily feeds and reconciliations; investigate unmatched items.
- Revenue: apply policies for recurring vs non-recurring; deferred revenue schedules; cutoff checks.
- Expenses: accruals for services received, prepaids, amortization schedules.
- Payroll: salary/bonus/commission accruals; benefits; contractor classification checks.

- Inventory/COGS: counts/adjustments, standard cost updates, landed cost, variance analysis.
- Intercompany & consolidations: eliminations, currency translation, minority interests (if applicable).

4) Automation Opportunities

- Bank feeds and rules for common entries; automated recurring JEs.
- AP/expense workflows with approvals and coding defaults.
- Close management tools: task lists, reminders, and evidence links.
- Templates for allocations, amortization schedules, and revenue recognition.

Our [FP&A Services](#) can help you design and implement close automation.

5) Controls & Documentation

- Segregation: preparer/reviewer separation on reconciliations and JEs.
- Approvals: documented sign-offs; thresholds for dual approvals.
- Evidence: store reconciliations, support, and screenshots in organized folders; lock after review.
- Policies: revenue, capitalization, expense recognition, reserves; update at least annually.

6) Variance Review

- P&L and balance sheet flux: thresholds to investigate; root-cause notes and owner actions.
- Trend checks: margins, DSO/DPO/turns, headcount vs plan, spend by department.
- Tie to operational metrics: pipeline vs revenue, churn vs revenue impact, headcount productivity.

7) Close Package

- Management financials: P&L/BS/CF with bridges and commentary.

- KPI pack: ARR/MRR, NRR/GRR, CAC/payback (for SaaS), working capital turns, cash runway.
- Issues log: risks, open items, expected resolution dates.
- Distribution: CEO/execs, board (if monthly), budget owners (departmental views).

8) Continuous Improvement

- Post-close retro: what slipped, what rework was needed, and why.
- Metrics: close days, number of reopens, auto-post vs manual ratio, recon aging.
- Quarterly refresh: simplify chart of accounts, streamline approvals, update templates.

9) Templates

- Close checklist with due dates and RACI.
- Journal entry matrix (thresholds, approval levels).
- Reconciliation templates (cash, AR/AP, payroll, inventory).
- 5-day close playbook with sample calendar and communications.

10) Call to Action

Want to hit a 5-day close? [Schedule a consultation](#) or [request a proposal](#) for a close optimization session.

About 1CFO

1CFO provides AI-powered fractional CFO services for growing businesses. We combine strategic financial leadership with modern technology to deliver enterprise-grade finance capabilities at a fraction of the cost of a full-time hire.

Our Services:

- [Fractional CFO](#) – Strategic finance leadership

- [FP&A Services](#) – Financial planning and analysis
- [Cash Flow Management](#) – Liquidity and runway optimization

Resources:

- [Free Assessment](#) – Evaluate your finance function
- [ROI Calculator](#) – Estimate your potential savings
- [All Guides](#) – More CFO resources

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