6-Step Bookkeeping Transformation Checklist

Goal: Turn messy, reactive bookkeeping into a reliable financial control system.

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1. Establish a Real Month-End Close

- Set a consistent close calendar with clear owners and deadlines.
- Record accruals, payroll, WIP, and other month-end adjustments.
- Issue final financials within five business days.
  Red flag: reports arrive late, change after review, or never fully close.

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2. Build a Project-Based Chart of Accounts

- Separate direct job costs, overhead, and administrative expenses.
- Map revenue and costs by project, service line, or department.
- Remove duplicate, vague, and unused accounts.
  Target: every transaction supports clear margin and cost analysis.

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3. Add WIP and Project Profitability Tracking

- Compare earned revenue, billed revenue, and job costs each month.
- Review estimated versus actual labor and material costs.
- Flag underbilling, scope creep, and margin erosion early.
  Red flag: you cannot explain which projects made or lost money.

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4. Automate Repetitive Bookkeeping

- Connect accounting, payroll, billing, and expense systems.
- Standardize recurring uploads, approvals, and journal entries.
- Track manual hours saved and eliminate duplicate data entry.
  Target: routine work flows automatically with human review.

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5. Reconcile and Clear Every Balance

- Reconcile all bank, credit card, payroll, and balance-sheet accounts.
- Investigate suspense and clearing items instead of rolling them forward.
- Document corrections and assign owners for unresolved differences.
  Red flag: old unexplained balances remain month after month.

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6. Turn Reports Into Management Decisions

- Review cash, margin, WIP, and key variances with leadership monthly.
- Compare actual results to budget, forecast, and prior periods.
- Assign actions, owners, and due dates for every material issue.
  Target: leaders trust the numbers and know what to fix next.

✓ **Use this checklist to review your bookkeeping system with your team.**

You will uncover delayed closes, weak project visibility, manual-work leaks, unreconciled balances, and reporting gaps before they cost more cash and credibility.

Next step: Book a 20-min call if you want help turning your books into clear, decision-ready financials.