

■ A 42-POINT DIAGNOSTIC · FREE RESOURCE 2026

The Founder's *Bookkeeping* Checklist.

The same diagnostic I run on every cleanup engagement — the one I use to spot \$10,000+ errors in a QuickBooks file in under 30 minutes. Yours, free.

WHO THIS IS FOR

Founders of US, UK, AU & NZ small businesses — eCommerce brands, SaaS startups, professional services firms, and trades — whose books have grown messier than their patience for spreadsheets.

Disha Jain

FOUNDER · CROSS BORDER BOOKS

CA (ICAI) · US CMA (IMA)
QBO PROADVISOR · XERO CERTIFIED

A note before you *begin*.

In seven years of cleaning up small business books, I've seen the same forty-two failure modes show up over and over — across industries, geographies, and accounting platforms.

This checklist is how I diagnose them. I run through it before quoting any cleanup engagement, and it consistently surfaces five-figure errors that a less systematic review would miss — duplicate transactions, miscategorized COGS, broken bank feeds, phantom liabilities, sales-tax misalignment, and more.

There are five sections — **Daily, Weekly, Monthly, Quarterly, and a final Deep Diagnostic** for businesses that suspect more structural issues.

Work through it once. Honestly. Then work through it again in ninety days.

If you find that more than ten boxes go unchecked, your books need attention — either the kind you can give them yourself with discipline and a clean process, or the kind a senior finance operator gives them in four to six weeks. Either way, this document gives you a clear-eyed view of where you stand.

— *Disha Jain*

The daily *four*.

Discipline at the daily level prevents disaster at the monthly level.

- 01 ☐ **Every bank transaction from yesterday is categorized in QBO/Xero.**
Not just imported — actually matched to a category and a customer/vendor.
- 02 ☐ **Receipts for any cash/card expenses are captured digitally same-day.**
Use Dext, Hubdoc, or QBO's built-in receipt capture. Never the shoebox.
- 03 ☐ **Customer payments received yesterday are applied to the correct invoice.**
Unapplied payments are the #1 source of fake AR balances.
- 04 ☐ **Bills received yesterday are entered (or forwarded to Bill.com / Melio).**
Bills sitting in someone's inbox aren't bills — they're surprises.

Five things, every *Monday*.

If your bank feed broke on Thursday, you want to know by Monday — not by month-end.

- 01 ☐ **Bank feed is connected, syncing daily, with zero pending exceptions.**
A broken feed is the silent killer of clean books. Check it every Monday.
- 02 ☐ **All transactions for the week are categorized — zero items in 'Uncategorized'.**
If your file has an 'Ask My Accountant' account with anything in it, that's a flag.
- 03 ☐ **Bank balance in QBO/Xero matches your actual bank balance.**
Open both, check the number, write it down. Five-minute habit, massive payoff.
- 04 ☐ **Open invoices > 30 days are reviewed; follow-ups sent on anything > 14 days.**
Cash is what kills you, not profit. Chase AR weekly without exception.
- 05 ☐ **Payroll for the week was processed and posted correctly.**
Confirm gross wages, employer taxes, and benefits hit the right accounts.

The month-end *ritual*.

Twelve items. Each takes minutes. Together they make books that hold up.

- 01 ☐ **All bank accounts and credit cards are reconciled to the statement.**
Not 'matched' in the bank feed — formally reconciled, with a reconciliation report saved.
- 02 ☐ **Beginning balance on the reconciliation matches last month's ending balance.**
If it doesn't, someone changed a closed-period transaction. Find it before going further.
- 03 ☐ **Any uncleared transactions older than 60 days are investigated.**
Stale uncleared items usually mean duplicates, voids, or returned payments.
- 04 ☐ **Accruals are booked for unbilled revenue and unrecorded expenses.**
If you have invoices going out next month for work done this month, that's revenue today.
- 05 ☐ **Prepaid expenses (insurance, software, rent) are amortized correctly.**
Annual software paid in January isn't a \$12K January expense — it's \$1K per month.
- 06 ☐ **Depreciation has been booked on fixed assets.**
Get a fixed asset schedule from your CPA at year-start and run it monthly.

Close, *continued.*

The second half of the close is where the balance sheet earns its keep.

- 01 ☐ **Inventory count was performed (if applicable) and adjusted in the books.**
For eCom & retail: physical count > book balance is the #1 silent margin killer.
- 02 ☐ **Sales tax / VAT / GST liability is reconciled and ready to file.**
Tax authorities don't accept 'my QuickBooks number' — reconcile to the actual returns.
- 03 ☐ **Loan principal vs interest split is correct on all debt service payments.**
Loan amortization schedules are non-negotiable. Get them from each lender.
- 04 ☐ **Owner draws, distributions, and contributions are correctly categorized.**
Not as 'Miscellaneous Expense.' Not as 'Officer Compensation.' Equity accounts only.
- 05 ☐ **Monthly P&L is generated, reviewed, and compared to prior month + budget.**
If you don't look at it, the books aren't really serving you.
- 06 ☐ **Balance sheet is reviewed — every line item makes sense and is supported.**
Negative AP? Negative AR? Phantom assets? These hide for months without review.

Every ninety *days*.

The quarterly review is where strategy meets the books. Don't skip it.

- 01 ☐ **Estimated tax payments are calculated and made (if US — federal + state).**
Underpayment penalties are 100% avoidable. Don't surprise yourself in April.
- 02 ☐ **Chart of accounts is reviewed — unused accounts archived, new ones added.**
A cluttered COA produces a cluttered P&L. Prune it quarterly.
- 03 ☐ **1099 vendor tracking is current — W-9s collected for every contractor (US).**
Don't wait for January. Get the W-9 before you cut the first check.
- 04 ☐ **Sales tax nexus is reviewed — any new states/countries crossed thresholds?**
Especially for eCom: you may owe sales tax in states you've never set foot in.
- 05 ☐ **Customer aging is reviewed — bad debt write-offs identified and booked if needed.**
AR that's been outstanding 180+ days probably isn't coming. Be honest with yourself.
- 06 ☐ **Cash flow forecast for next 13 weeks is updated.**
Even a rough one. Founders who survive cash crunches are the ones who saw them coming.
- 07 ☐ **Pricing and unit economics are reviewed against actual costs.**
Cost inputs creep. Quarterly check protects margin from death-by-thousand-cuts.
- 08 ☐ **KPI dashboard is updated and reviewed with the leadership team.**
Revenue, gross margin, customer acquisition cost, runway. Four numbers minimum.

The eight silent *killers*.

If anything in this section is unchecked, your books need professional eyes.

- 01 ☐ **No 'Ask My Accountant' or 'Suspense' account with a non-zero balance.**
If there is, those transactions are essentially un-booked. Resolve before close.
- 02 ☐ **Retained earnings ties to last year's tax return.**
If retained earnings doesn't match the return, someone touched closed-year data.
- 03 ☐ **Equity section makes structural sense (LLC = member equity; Corp = APIC + RE).**
Wrong equity structure = wrong tax filings. Catch this before year-end.
- 04 ☐ **No personal expenses are running through the business books.**
Mixing creates audit risk and clouds your real profitability. Separate, always.
- 05 ☐ **Bank and credit card statements for the last 12 months are saved digitally.**
If your CPA asks and you can't produce them in 24 hours, you have a process problem.
- 06 ☐ **Loan documents, lease agreements, and major contracts are filed and accessible.**
Books reflect contracts. If contracts are missing, books are guessing.
- 07 ☐ **There is a written process for month-end close (or a checklist like this one).**
If close depends on one person's memory, the business has a single point of failure.
- 08 ☐ **Books are reviewed by a senior finance person at least quarterly.**
Even great bookkeepers need a second set of eyes. Especially before tax season.

More than ten boxes *unchecked?*

If you worked through this checklist honestly and found ten or more boxes that couldn't be checked off, your books have drifted further than is comfortable.

That's not a judgment — it's the most common state I see in cleanup engagements. Most founders are scaling revenue faster than their finance function can keep up. Here's what we can do about it:

OPTION 01 · FREE

30-min discovery call.

We talk about what's broken and what fixing it looks like. No pitch, no obligation.

OPTION 02 · \$295

Full books diagnostic.

I review your QBO/Xero file and send a written report of exactly what needs fixing.

REACH OUT DIRECTLY

hello@crossborderbooks.com · WhatsApp +91 85279 56007

Or visit crossborderbooks.com to book a call on the calendar.