

Monthly Bookkeeping Checklist

Stay organized, avoid year-end chaos, and keep the CRA happy!

1. Track Income & Invoices

- Reconcile **bank deposits** with issued invoices.
- Follow up on **overdue invoices** (30/60/90-day reminders).
- Record **cash sales** and e-transfer payments.
- Review **sales tax collected** (GST/HST/PST).

Pro Tip: Use invoicing software (e.g., FreshBooks, Wave) to automate reminders and track payments.

2. Categorize Expenses

- Upload and categorize **receipts** (use apps like Dext or Hubdoc).
- Separate **business vs. personal expenses** (no co-mingling!).
- Flag **questionable expenses** (e.g., client meals, travel) with notes for CRA compliance.
- Track **vehicle mileage** (log business km; 2024 rate = \$0.68/km).

CRA Rule: Keep receipts for **6 years** — digitize them to avoid losing paper copies.

3. Reconcile Accounts

- Match **bank statements** with accounting software (e.g., QuickBooks, Xero).
- Verify **credit card transactions** (flag discrepancies).
- Review **loan/line of credit balances** (accrue interest if applicable).
- Check **petty cash** (document small purchases).

Avoid Errors: Unreconciled accounts lead to mismatched GST/HST filings and audit risks.

4. GST/HST Tracking

- Calculate **net GST/HST owed** (collected minus Input Tax Credits).
- Ensure GST/HST is charged on **taxable supplies** (double-check invoices).
- Schedule remittance if you file **monthly/quarterly**.

Deadline Alert: GST/HST payments are due one month after your reporting period.

5. Payroll & Contractor Compliance

- Process **payroll deductions** (CPP, EI, income tax).
- Submit **monthly remittances** to CRA by the 15th of the following month.
- Issue **T4A slips** for contractors paid >\$500/month.
- Update **employee records** (addresses, TD1 forms).

Penalty: Late payroll remittances incur **10% fines** + interest.

6. Review Financial Health

- Generate **Profit & Loss (P&L) Statement** and compare to budget.
- Check **cash flow trends** (identify shortfalls early).
- Update **accounts receivable aging report** (flag high-risk clients).
- Monitor **tax instalment obligations** (use CRA's *Instalment Calculator*).

Pro Tip: Use dashboards in tools like Xero to visualize financial health at a glance.

7. Back Up & Secure Data

- Save copies of **bank statements**, invoices, and receipts to cloud storage.
- Password-protect financial files and enable **two-factor authentication**.
- Archive last month's records (e.g., Google Drive, encrypted hard drive).

CRA Requirement: Electronic records must be "readable and unalterable".

8. Prep for Next Month

- Schedule **invoice due dates** and payroll runs.
- Set calendar reminders for GST/HST, payroll, and instalment deadlines.
- Order office supplies (e.g., receipt paper, toner) to avoid disruptions.

This checklist is a guideline. Consult your accountant for business-specific advice.

By following this checklist monthly, you'll reduce year-end stress, maximize deductions, and keep your business audit-ready! 📅✅