



Six Ways to Make Month-End Close More Efficient

by [Steve Brown](#)  [management](#) [productivity](#)

Summary: An understaffed or overburdened back-office accounting team means the month-end close can drag on for days or weeks. We provide you with six effective strategies that can help CFIs save time on month-end activities.

In most cases, it's pretty harmless to let the laundry pile up an extra day or put off clearing out old belongings. In extreme circumstances, avoiding these chores regularly can lead to hoarding, which is a massive accumulation of miscellaneous items that makes it impossible to find what you're looking for, much less navigate your home. [About 2.6% of the population is affected by hoarding disorder](#), according to the American Psychiatric Association. Cleaning up a hoarding situation takes armfuls of sanitizing chemicals, at least one dumpster, and often a professional cleaning crew, not to mention a lot of time.

Though getting behind on accounting certainly doesn't pose the same biohazardous threat as hoarding, month-end tasks can also become a pileup that seems to take forever to get out of. When community financial institution (CFI) back-office accounting teams have too many tasks to do or too few people to do them, month-end close can be a slow, stressful chore. Staff members get overstretched, and CFI executives don't get the prompt business insights that let them act nimbly to serve customers. Being behind on accounting can also slow down business decisions, as stakeholders and boards won't have an accurate view of the budget.

Luckily, there are strategies that can help you keep month-end close from becoming a literal and figurative drag. We've outlined **six measures that can speed up the process** and make the monthly task less arduous for your accounting staff.

1. **Stay organized.** You don't necessarily need alphabetical order, but you should keep necessary documents and reconciliations in an order that makes sense to the accounting team. Anyone who uses the material should be able to find the necessary information and put it back where they found it. An organizational system can also make audits smoother and faster.

2. **Follow a checklist.** Checklists aren't glamorous, but they're a time-tested way of making sure things get done. Assembling a checklist gives the team an opportunity to carefully think through a task, consider its component parts, and even streamline the process. To take things a step further, a team checklist can clearly indicate which team member is in charge of each step.

A checklist also helps a team standardize a process so the inputs are consistent. When individuals use their own preferences to compile balance sheet reconciliations or other analysis, the end result can have too much variety. That, in turn, can mean confusion and the need to redo work.

3. **Automate what you can.** According to Zapier, [94% of workers report spending time on repetitive tasks](#) at work. The top task that small- and medium-sized businesses are automating is manual data entry. Roughly two-thirds of employees who use automation at work report that automating tasks is helping them fight burnout, lowering their stress levels, and making them more productive. General ledger (GL) transactions, accrual journal entries, and prepaid amortization entries are all good candidates for automation. Schedule them to run at the same time every month, possibly overnight.

4. **Close throughout the month.** Don't leave the entire job for month end; find ways to do some of the work throughout the month. Consider advance-dating GL entries and projecting month-end project income in the middle of the month.

5. **Document the status of each task.** Reviewer and Preparer need to keep track of each task's status so they know what the other person has received and what is still needed. A cloud-based spreadsheet on a shared site such as Google Drive or SharePoint can help, as can digitizing the material and processes used in the month-end close.

6. **Note your speed bumps.** Teams need to understand what management expects; management needs to know what the team can realistically handle in a given amount of time. Discuss what helps the accounting process at end of month, and what could be improved. After the month-end close, meet to talk about anything that didn't go as smoothly as you'd hoped. Don't point fingers or cast blame. Talk about systemic changes you might make to avoid having the same problem again. By looking squarely at weaknesses, your CFI can figure out ways to fix them.

Your CFI's month-end process doesn't need to be a time that you dread. There are plenty of changes, large and small, that can make a huge impact on your team's productivity and well-being. Getting organized, using a checklist, automating repetitive tasks, closing throughout the month, ensuring good communication, and devising ways to fix sticking points can make your month-end close faster and less stressful.

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ECONOMY & RATES

Rates As Of: 11/25/2022 05:33AM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	4.40	0.18	4.34
6M	4.67	0.10	4.48
1Y	4.73	0.11	4.34
2Y	4.52	0.03	3.78
5Y	3.94	-0.29	2.68
10Y	3.74	-0.31	2.23
30Y	3.77	-0.40	1.86
FF Market	FF Disc	LOBB	
3.83	4.00	3.90	
SOFR	Prime	QBFR	
3.79	7.00	3.82	

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