# Monthly Financial Review Checklist

A structured approach to understanding your business finances

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**Purpose:** Complete this checklist at the end of each month to maintain clear visibility of your financial position. Consistent monthly reviews help identify issues early and keep your business on track. Time required: 30-45 minutes.

Month/Year: Review Date: Completed By:

## 1. Cash Position Review

### Record opening and closing bank balances

Compare to previous month. Note any significant changes (+/- 10%)

### Reconcile bank statements

Ensure all transactions are accounted for. Flag any unrecognised items.

### Calculate cash runway

Current cash ÷ average monthly expenses = months of runway. Target: 3+ months

### Review credit facility utilisation

Check overdraft, credit cards, lines of credit. Note available headroom.

## 2. Receivables Management

### Review accounts receivable aging report

List amounts in 0-30, 31-60, 61-90, and 90+ day buckets

### Follow up on overdue invoices

Contact customers with amounts 30+ days overdue. Document actions taken.

### Calculate Days Sales Outstanding (DSO)

(AR ÷ Revenue) × 30 = DSO. Compare to payment terms and industry average.

### Identify bad debt risk

Flag customers unlikely to pay. Consider provisions or write-offs.

## 3. Payables & Commitments

### Review accounts payable aging

Ensure no suppliers are overdue that could impact supply or credit terms.

### Check upcoming payment obligations

Rent, loan repayments, insurance renewals, quarterly BAS/Super due dates.

### Review subscription/recurring costs

Are all subscriptions still needed? Any price increases?

> **Pro Tip:** Set calendar reminders for key payment dates (BAS due, super quarterly, insurance renewals) to avoid late fees and maintain good supplier relationships.

## 4. Profitability Check

### Compare revenue to same month last year

Note % change. If down, identify reasons (seasonal, market, specific customer).

### Review gross profit margin

(Revenue - COGS) ÷ Revenue. Has it changed? Why?

### Check expense ratio

Total expenses ÷ Revenue. Flag if increasing faster than revenue.

### Identify top 3 expense increases

What's driving costs up? Are increases justified?

## 5. Forward Planning

### Update 13-week cash flow forecast

Input actuals for past month. Adjust projections based on new information.

### Review budget vs actual performance

Where are you over/under budget? Do forecasts need adjusting?

### Identify upcoming large expenses

Equipment, tax payments, seasonal costs. Plan cash allocation.

### Set 3 financial priorities for next month

What specific actions will improve your financial position?

## Key Observations & Action Items: