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Strengthen and Streamline Your Month-End Close

Automation, internal controls, and value-added analysis

May 23, 2025



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Learning Objectives

At the end of the session, you will be able to:

1

Recognize the key components to a **strong month-end close process**.

2

Identify ways to **introduce or enhance technology** used in your process for greater efficiency.

3

Determine how you might **use the time saved** in an efficient process to introduce analysis, forecasting, and more.



Agenda



Month-end close: what to reconcile when and use of estimates



Technology options to consider

Accounts payable and credit cards
System integration
Report access



What to do with the “extra time” – value-added analysis

Month-End Close

Definition: the month-end close is the collection of financial accounting information, review, and reconciliation of records each month. This is a reporting requirement for some companies, and **helps businesses keep accurate records throughout the year**. The most important closing period comes at the end of the financial year.





Month-End Close



Month-End Close: Raise of Hands

On *what day* are your financials closed each month?

1. 5 days after month-end
2. 10 days after month-end
3. 15 days after month-end
4. We are lucky to close at all the following month



Month-End Close: Raise of Hands

How often do you reconcile balance sheet accounts?

1. Monthly
2. Quarterly
3. Yearly
4. Depends



Month-End Close



Why reconcile balance sheet accounts monthly?

- Ability to identify miscoded transactions
- Collection issues on receivables
- Fraud noted when doing a bank reconciliation
- Incorrect deposits made for benefits (ex 403b/401k)
- Missed payment on loans
- Over/Underspending on grants
- Double recording of revenue (AR + deposit for same funds)

Month-End Close: Use of Estimates

What are some common areas to use estimates or delayed periods for month-end close?

- Investment mark-to-market
- Accruals for recurring expenses (utilities, etc.)
- Credit cards (sometimes!?!)
- Others?





Small Group Discussion

What are your organization's biggest pain points in achieving a *timely* month-end close?



Technology and Automation



Technology and Automation

1. A/P and payroll



2. System integration



3. Report access



One – A/P and Credit Cards

Number one thing we hear
holding up month-end
close in nonprofits?

Accounts payable
(coding, approvals)

credit cards
(receipts, coding, approvals)

*Particularly important (and cumbersome)
with cost reimbursement grants*



How can you add automation and
remove this month-end delay?

- Online bill pay platforms
- Expense management platforms
- Accountability mechanisms



Two – System Integration



Small Group Discussion

- Are you duplicating data entry in two systems?
- How many of you have systems *integrated* with your general ledger (accounting system)?
- Which ones? How well do they work?
- Where have you found a “solid upload/download” works better than?



Two – System Integration

Time-saving system integrations we like



Bill pay

(integrates to book journal entries)

Month-end close software

(integrates to pull balances; house reconciliations)

Payroll with allocations

(some full integrations; others better upload/download)

Bank feeds

Fundraising systems

(similar to payroll; sometimes full integrations are great; other times an efficient upload/download makes more sense)

Financial report generation

(makes your reports look amazing)



Month-End Checklist Example

Company

Edit checklist information

General information

Checklist ID
CL13

Checklist category

Month End Close

Checklist status

Not Started

Checklist name *
Month End Close December 2021

Checklist owner *

Grace, Karla

Checklist description
Month End Close

Status

Active

Assignments

	Assignment name *	Assignment description	Start date *	Due date *	Assignee *	Assignment status	Percent complete	Actual end date	Attachment	Comment		
	1	Review/Close ARAccount	Review all AR and Aging -	01/01/2022	01/04/2022	Tesla, Nick	Not Started		01/04/2022		text field	+
	2	Allocations	Perform and post Dynamic	01/01/2022	01/05/2022	Waits, Tom	Not Started					+
	3	Bank Reconciliation	Perform Bank Reconciliation,	01/01/2022	01/03/2022	Grace, Karla	Not Started					+
	4	Review/Close AP	Review outstanding checklist	01/02/2022	01/02/2022	Grace, Karla	Not Started					+
	5											+

Duplicate the template and fill out every month.

Add attachments and comments as needed.



Third-Party Software Integrations

Accounts payable/receivable

- Invoice and payment feed
- Approval process and documentation is among the best
- *Examples: BILL, ramp*

Expense management

- Credit card transaction feed
- Electronic approvals
- Reduces time to code
- *Examples: divvy (spend and expense), expensify*

Payroll

- Automatic integration
- Upload/download





Third-Party Software Integrations

Banking

- Bank transaction feed
- Helpful for bank accounts with a high volume of ACH transactions
- Can create match rules to automate bank reconciliations

Fundraising

- Donation and pledge feed
- Reduces time needed to reconcile between two systems

Merchant Services

- Credit card and cash sale transaction feed
- Reduces time needed to reconcile between two systems

Three – Report Access

By granting more people in your organization read-only access to (appropriate) financial information, you can empower them to:

- Review financial information throughout the month and spot errors/coding changes mid-month vs. at month-end
- Allow budget owners to see budget v. actual (particularly on the expense side)
- Gain a better understanding of the financials of the organization



Dashboard Example

- Real-time data
- Includes reports, graphs, charts, performance cards
- Compare to prior periods or budgets
- Can bring in non-financial statistical data, such as:
 - Members
 - Class participation



Signs You May Have Outgrown Your System

- Outdated system/on system for 10+ years
- Manual reporting (a lot of excel)
 - Management and financial
- Need system integrations
- Lengthy month-end close
- Issues with internal controls
- Automated workflows (PO/order Entry)
- Robust reporting needs; visibility into finance
- Multiple locations or entities
- Revenue recognition/net asset tracking
- Project or grant billing
- Allocation needs





Value-Added Analysis

What to do with all that extra time?



Raise of Hands

When your books are closed, what are you able to do on a recurring basis each month today?

	1	2	3
Review results and bring questions/observations to the team to discuss	✓	✓	✓
Financials produced are standard packet (SOA, SOFP)	✓	✓	✓
Analysis of key highlights at a summary and/or line-item level		✓	✓
Dashboard or graphic representation of the financials		✓	✓
Updated forecast showing where the organization is likely to end the year			✓
Interactive tools to allow budget owners and/or governance to analyze performance to-date			✓



Dangers of Lacking the Right Finance Support



- Fraud risk due to manual paper checks
- Revenue loss or leakage from poor billing or collections practices
- Incorrect data for decision-making based on no/late/incorrect financials
- Cash-flow situations due to lack of forecasting, leading to unnecessary use of lines of credit or other costly cash-flow support
- Loss of donor confidence



Case Study: Shared Services



YMCA of the Fox Cities – Shared Services Model



Services provided



Service delivery model



Why do we believe in this?

YMCA of the Fox Cities – Shared Services Model

Phases of Shared Services Work

Phase 1

Establish suite of services

Pricing model

Staffing levels and mix

Recommended practices and compliance

Standardization

Service delivery work – capital planning, financial modeling

Phase 2

Next levels of standardization

Automation

Group purchasing

Phase 3

Predictive analytics

Peer comparisons

Dashboard

Key metrics



YMCA of the Fox Cities – Shared Services Model



Power in numbers



Share resources



What each Y needs – not more, not less



Provide opportunities and grow talent

Questions?



Thank you!

Kelsey Vatsaas
Managing Principal of Industry
kelsey.vatsaas@CLAconnect.com

Erica Graan
Consulting Director
erica.graan@CLAconnect.com



CLAconnect.com



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