

What is a monthly financial close?

To “close the books” each month, the general ledger accounts are balanced as of the last day of the month, and financial reports are prepared using this data. This closing procedure is always done annually but can also be done quarterly.

Why have a monthly close policy?

A monthly close policy sets the reporting period. It usually states what day of the month, quarter, and/or year the books are closed. This is to stay in compliance with Generally Accepted Accounting Principles.

What are some procedural issues to consider in a monthly close policy?

The monthly close procedures often involve a checklist outlining how an entity reviews, records, and reconciles accounting information monthly and annually.

Standardized close procedures help organize accounting data so financial and tax reports can be completed timely and accurately. These procedures include the basic monthly and annual steps involved in closing the books and identifying the person responsible for closing this process. Listing the procedures also helps ensure all steps are completed.

Resources

- ▶ [DOJ Grants Financial Guide](#)
- ▶ 2 Code of Federal Regulations: [§ 200.328 Financial reporting](#)

The **Office for Victims of Crime Financial Management Resource Center (OVC FMRC)** offers culturally humble, trauma-informed training and technical assistance to support OVC human trafficking and discretionary grantees. OVC FMRC services focus on enhancing financial management capacity.

The logo for the Office of Victims of Crime Financial Management Resource Center (OVC FMRC), featuring the letters "OVC" and "FMRC" flanking a stylized globe/leaf graphic.

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