PROFIT PARTNERS LLC

Month-End Checklist for Real Estate Investors

Six checks that show whether your books are right, not just finished. Run them once a month.

- [ ] **1. Every bank and card account ties to its statement, to zero**

  Compare the book balance to the statement balance for the same date. Equal, not close.

  If it fails: list the unresolved transactions. Do not post an adjustment to force it closed.

- [ ] **2. Security deposits are a liability and match the cash you hold**

  The deposit balance in your books should equal the money actually set aside for deposits.

  If it fails: look for deposits booked as income, or refunds paid from operating cash.

- [ ] **3. Mortgage payments are split, and the loan balance matches the lender**

  Only interest is an expense. Principal reduces the loan. Check the loan balance against the lender's statement.

  If it fails: a loan balance that never moves means the full payment is sitting in expenses.

- [ ] **4. Repairs and improvements are separated**

  Scan the repairs account for roofs, HVAC, and rehabs. Scan capital improvements for small maintenance items.

  If it fails: move large items to capital assets and small ones back to expense, and tell your CPA.

- [ ] **5. Every transaction has a payee and a property**

  Sort the month's transactions by payee, then by property. Blanks and "miscellaneous" are the problem.

  If it fails: hold what you cannot identify and ask about it. Do not guess.

- [ ] **6. Money moving between your entities nets to zero**

  What Entity A says it owes Entity B should equal what B says it is owed, with opposite signs.

  If it fails: one side is missing a transaction. Match transfers on the bank's reference, not on amount and date.

Using this list: a failed check tells you which account, which dates, and which kind of transaction to look at first. If your bookkeeper cannot show you the output of each check, that is worth knowing. This checklist is general guidance, not tax or legal advice; your CPA decides how items are treated on your return.

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