

Review for Reasonableness Checklist

Print:

- Balance Sheet
- Income Statement
- Trend Statement
- Accounts Receivable Aged Schedule
- Accounts Payable Aged Schedule
- Inventory Report
- Open Order (Customer Deposit) Report
- General Ledger

Balance Sheet:

- Does it balance? (Assets = Liabilities + Equity)
- Do the cash balances look correct?
- Does the Accounts Receivable balance tie to the Aged Schedule?
- Do the customer balances seem reasonable?
- Does the Inventory balance tie to the Inventory Report?
- Does the Inventory balance look reasonable?
- Do the PP&E or Fixed Asset accounts look reasonable?
- Have the Other Assets been analyzed?
- Have items in Suspense been identified?
- Does the Accounts Payable balance tie to the Aged Schedule?
- Do the vendor balances seem reasonable?
- Do the Payroll Taxes Payable accounts look correct?
- Is Sales Tax Payable reasonable?
- Have Garnishments been paid?
- Do customer deposits tie?
- Are loan balances reconciled?
- Does current year profit tie to the income statement?

Income Statement:

- Review each account for reasonableness
- Do the percentages look consistent from current month to YTD?

Trend Statement:

- Compare account activity to previous months

General Ledger:

- Review expense account activity for reasonableness and appropriate vendors

Accumulate the documentation for any unusual or questionable items with the monthly reports to make it easier to answer questions later.