Law Firm Month-End Close

A one-page reminder of the areas most firms review before closing the books.

MATTEROOM

1 Time and expense cut-off

- Remind timekeepers to finish entries for the period
- Look for unposted or held expenses
- Agree the cut-off date with billing

2 Unbilled work review

- Review older unbilled time by matter
- Note write-downs with a reason and reviewer
- Flag matters near budget or fee limits

3 Invoicing

- Finish prebill review and approvals
- Check rates, taxes and client billing rules
- Record anything held back and why

4 Cash receipts

- Apply payments to the right invoices
- Investigate unapplied or partial payments
- Keep client funds and firm funds apart

5 Trust accounts

- Reconcile on the schedule your rules require
- Compare bank, trust journal and client ledgers
- **Escalate any difference, never force a match**

6 Operating bank accounts

- Reconcile each account to the statement
- Review outstanding and stale items
- Keep the reconciliation with its sign-off

7 Disbursements and recoveries

- Match client costs to the right matters
- Review costs not yet billed back
- Check vendor bills waiting for approval

8 Receivables

- Review the aging report by client and partner
- Agree follow-up owners for overdue items
- Discuss any balances that may need provision

9 Adjustments

- Record accruals and prepayments your policy uses
- Review unusual or manual journal entries
- Keep support for each adjustment

10 Reporting and sign-off

- Prepare the reports partners rely on
- Explain big movements in plain words
- Record who reviewed and when the period closed

Signs the close needs attention

Reconciliations that keep carrying the same differences, unbilled time that keeps getting older, payments nobody can match to an invoice, and reports that change after they were sent.

General education only. This is not accounting, tax or legal advice. Rules on client funds and trust accounting differ by jurisdiction, so check the requirements that apply to your firm with your bar authority and accountant, and adapt the steps to your own policies and systems. More guides at matteroom.com/resources.