

The Month-End Close Playbook for AP Teams

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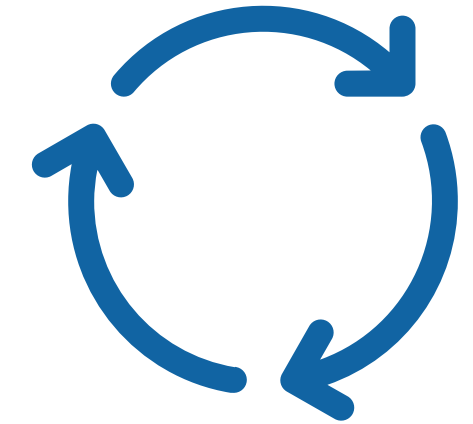
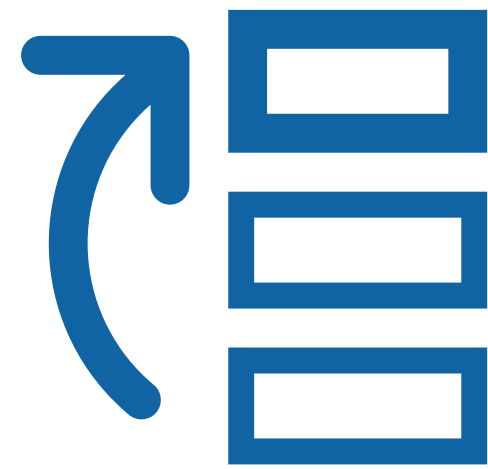
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What a “Good” AP Close Looks Like

At its core, a good AP close is on time, accurate and free of surprises.



Organized

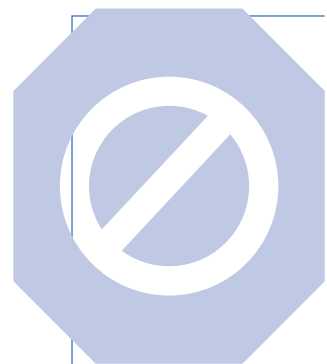
Prioritized

Collaborative

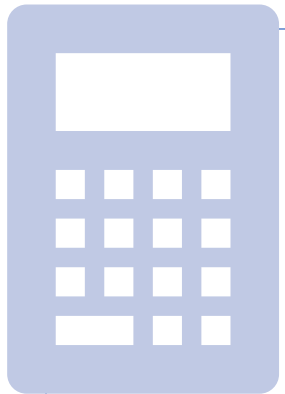
Accurate

Repeatable

Key AP Responsibilities



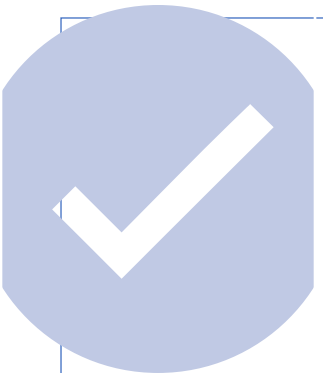
Invoice Cutoff



Accrual Inputs



Vendor Follow-Ups



Reconciliations

A smooth close is built in advance – not during the last 3 days!

Organizing the AP Close Workload

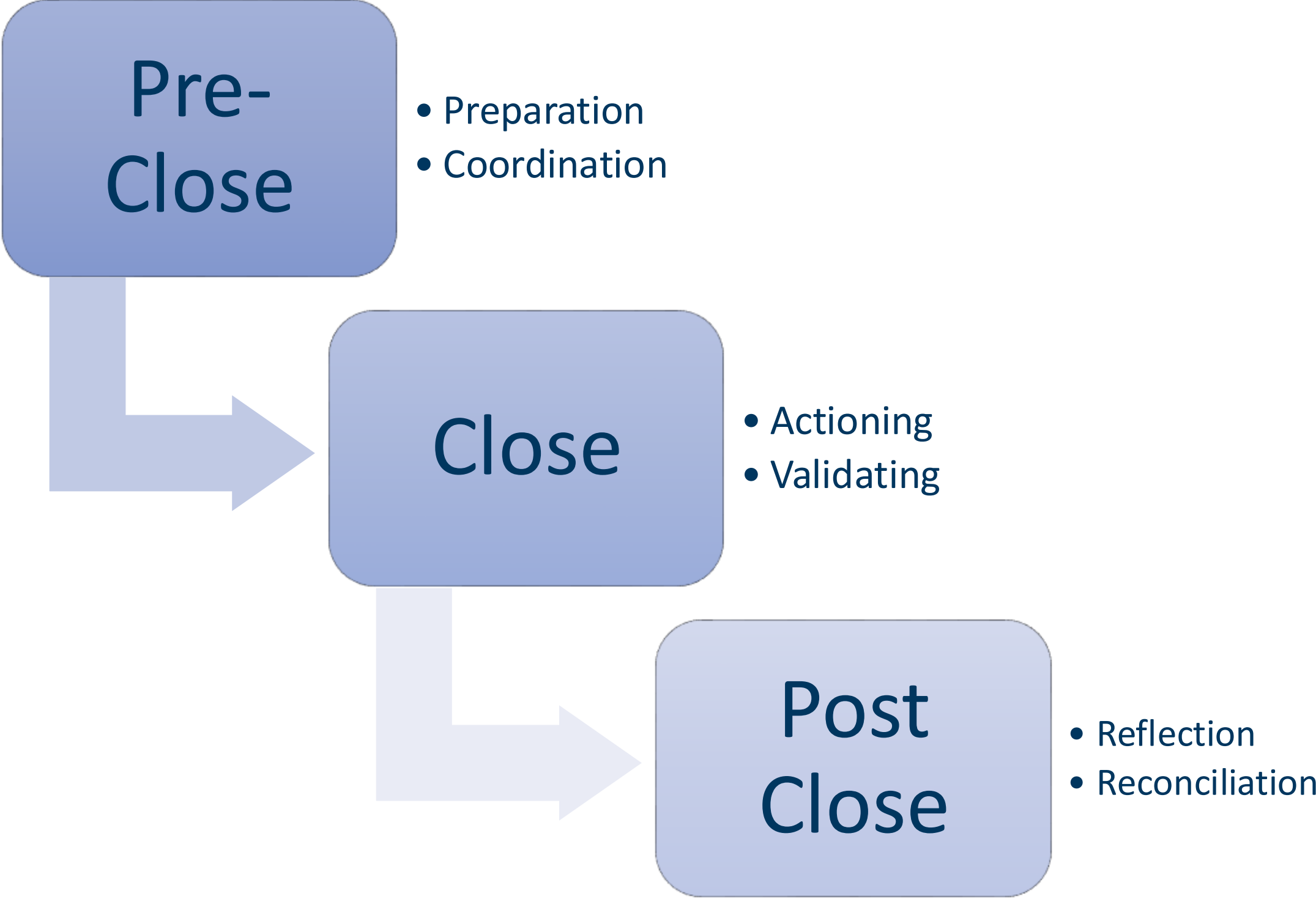
Most AP teams don't struggle because they have too much work – they struggle because the work isn't organized in a way that supports close.

Owning vs. Supporting: Clarity That Prevents Close Confusion

Define the AP Close Scope

<h2>OWNING</h2>	<h2>SUPPORTING</h2>
	
 Responsible for Results	 Provides Assistance
 Leads & Decides	 Offers Input & Help
 Accountable for Outcomes	 Contributes to Success

Breaking the Close Into Phases



Prioritizing Under Pressure

Close week feels hard not because AP suddenly forgets how to process invoices, but because everything hits at once – volume, deadlines and visibility.

Why Close Feels Hard

- Close week brings volume, deadlines and visibility together
- Late invoices + urgent requests create decision overload
- Inbox-driven work replaces planned execution
- FIFO works for processing – not for close



The Three-Tier Prioritization Framework

1

Material dollar impact | Accrual eligible invoices | Cash, DPO or balance sheet impact | Audit-sensitive vendors or accounts



2

Executive-visible or recurring items | Low dollar but high expectation



3

Low dollar, non-accruable invoices | Missing documentation | In dispute

Must Post

- ✓ Impacts current-period results
- ✓ Meets cutoff rules
- ✓ Replaces an estimate or accrual

Nice to Post

- ⌚ Helpful but not required
- ⌚ Can safely roll forward
- ⌚ Introduces minimal risk

Accruals

- ↻ Reduce close-week risk
- ↻ Estimate > Missed
- ↻ Consistency > Perfection

Handling Last-Minute Requests

Does it meet
cutoff?

Is it materially
impactful?

Does it
replace an
accrual?

Does this
displace higher
priority work?

Make it Stick!



Build priorities into the close checklist



Make decisions visible to the team



Limit real-time reprioritization



Protect the plan

Cross-Functional Coordination

A smooth close isn't about perfect partners – it's about clear expectations and repeatable handoffs.

AP Does Not Close Alone: Dependencies & Breakdowns

- AP depends on timely inputs from others - Procurement, Operations and Accounting all affect AP close
- One weak handoff can stall the entire close
- Most close issues are coordination issues

BREAKDOWNS

- Unclear cutoff expectations
- Missing or late confirmations
- Inconsistent accrual inputs
- Last-minute “urgent” requests

Expectations and Repeatability

Communicate cutoffs early and often

Define what AP needs – and by when

Standardize formats and templates

Set escalation paths in advance

Use a predictable cadence

Track dependencies

Prioritize no surprises over perfection

Coordinator, not gatekeeper

Reducing Errors & Cycle Time

A faster close doesn't come from rushing – it comes from reducing rework.

Why Errors & Cycle Time Go Hand In Hand



- Most errors are process failures, not people failures
- Rework is the biggest driver of extended close cycles
- Late detection creates exponential cleanup efforts
- Speed without controls increases risk



COMMON ERROR SOURCES

- Late or incomplete invoice intake
- Manual adjustments under time pressure
- Inconsistent accrual assumptions
- Missing or delayed reconciliations
- Unclear review responsibilities

CATCH ISSUES EARLIER

- Move validation upstream into pre-close
- Review accrual candidates before close week
- Reconcile throughout the month – not at the end
- Build checkpoints, not find scrambles



Standard Checklists



Accrual Templates



Checkpoints



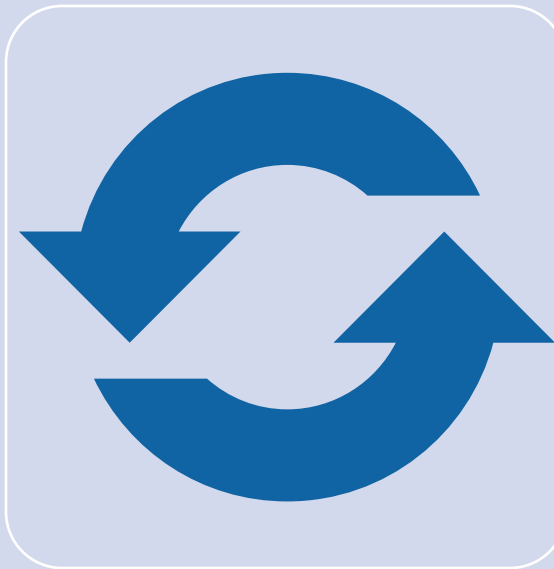
Exception Logs

Making the Close Repeatable

A good close isn't the goal – one good close isn't success, repeatability is.



Anyone can
hero through
one close



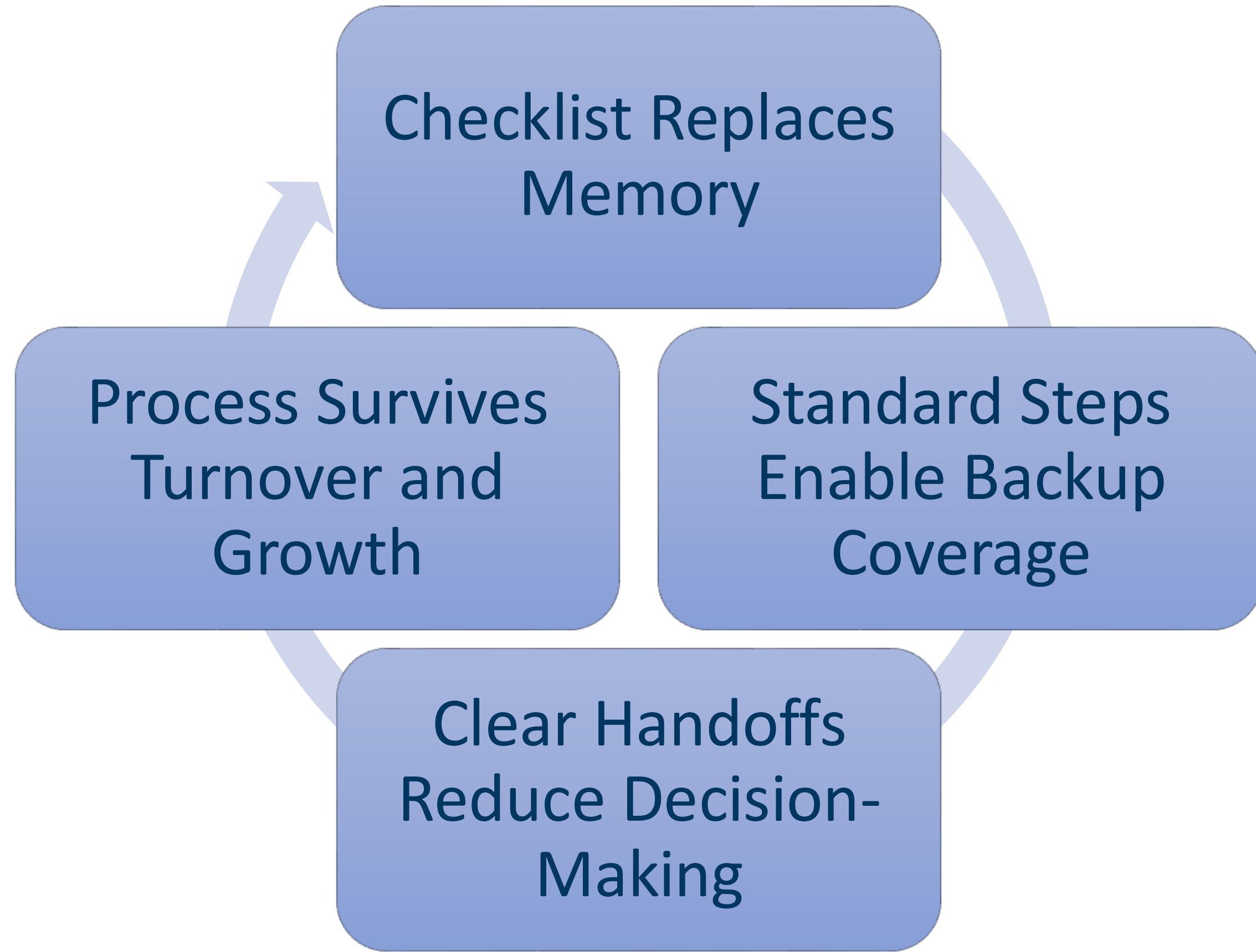
Repeatability
reduces
stress and
dependency

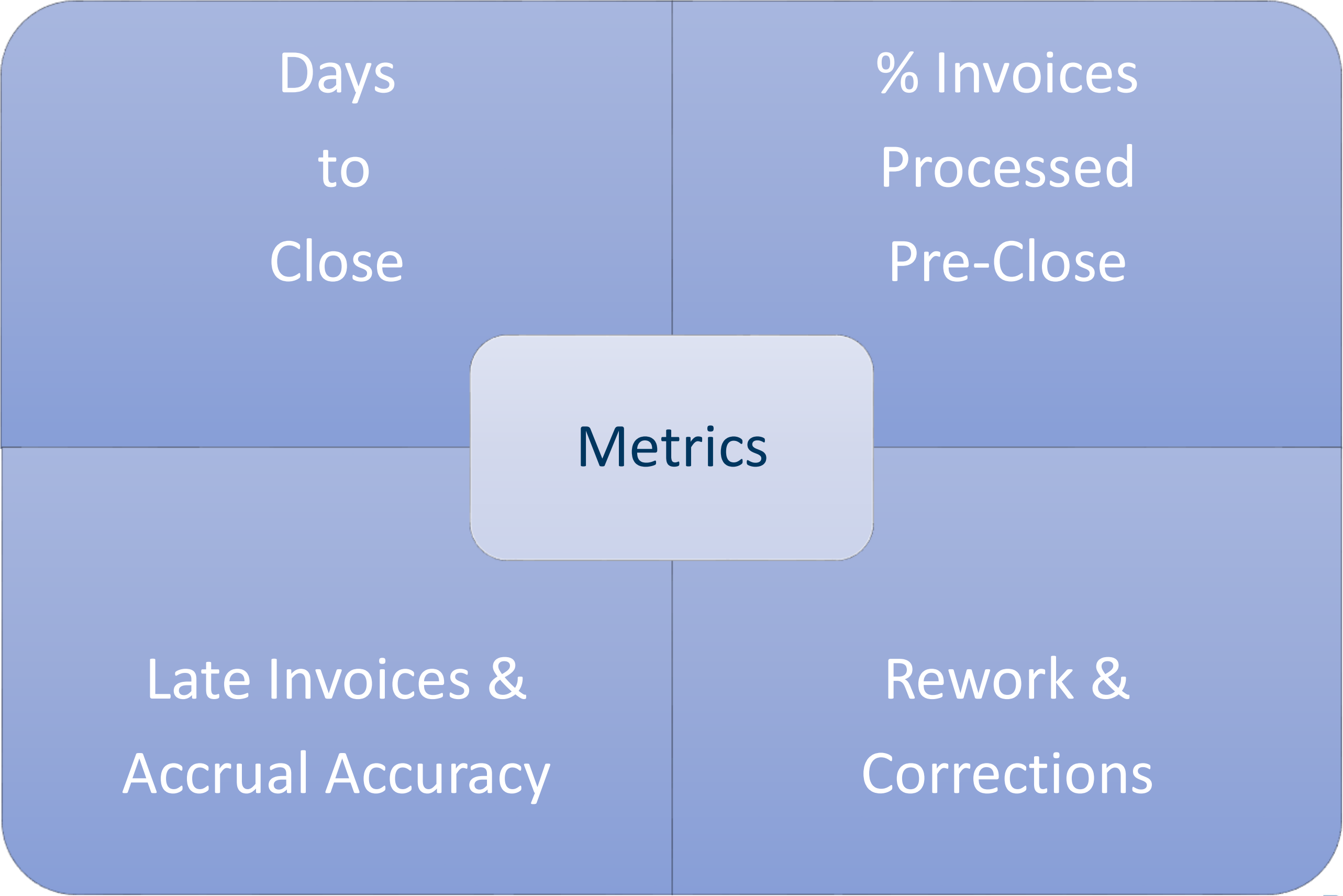


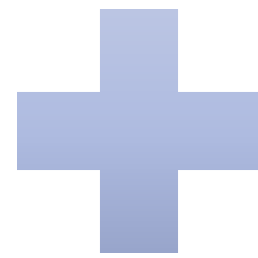
Predictability
beats
perfection



Confidence
comes from
consistency







The AP Close Checklist

Checklists are what turn experience and best practices into a process the whole team can execute.

The Power of a Master AP Close Checklist

Governance & Ownership

If ownership isn't explicit, close risk increases immediately

- ✓ Clear definition of ownership vs. support
- ✓ Named owners for each task
 - ✓ Invoice processing
 - ✓ Accruals
 - ✓ Reconciliations
 - ✓ Reporting inputs
- ✓ Backup ownership identified
- ✓ Approved close calendar and deadlines

Pre-Close Activities

Minimize surprises, not eliminate them

- ✓ Invoice intake cutoff dates defined and communicated
- ✓ Unposted invoice backlog reviewed
- ✓ Known accrual items identified early
- ✓ Open PO review with procurement

Invoice Processing Controls

Capture both posted and intentionally unposted invoices

- ✓ Check for duplicates
- ✓ Ensure coding and approvals completed or escalated
- ✓ Exceptions clearly flagged
- ✓ Held or disputed invoices documented with reason

The Power of a Master AP Close Checklist

Accrual & Cutoff Discipline

Consistency matters more than perfection

- ✓ Accrual criteria defined
- ✓ Source documentation identified
- ✓ Accrual templates used consistently
- ✓ Ownership for prep vs. review
- ✓ Late invoices evaluated against cutoff rules
- ✓ Accrual reversals planned for next period

Reconciliations & Validation Checks

Build reconciliation checkpoints, not end-of-close panic

- ✓ AP subledger to GL reconciliation completed
- ✓ Accrued vs. invoiced compared
- ✓ Large or unusual variances reviewed
- ✓ Supporting documentation retained for audit

Cross-Functional Inputs & Dependencies

Close is a team sport!

- ✓ Procurement confirmations received
- ✓ Operations/service confirmations completed
- ✓ GL close deadlines aligned with AP deliverables
- ✓ Treasury or cash considerations communicated
- ✓ Late inputs tracked with dates and owners

The Power of a Master AP Close Checklist

Reporting & Stakeholder Communication

No surprises beats perfect numbers

- ✓ Accrual summaries delivered
- ✓ Key assumptions documented
- ✓ Known risks or estimates communicated clearly
- ✓ Final AP balances confirmed
- ✓ Sign-off protocol completed

Post-Close Activities

A repeatable close is built after the books close

- ✓ Late invoices logged
- ✓ Accrual accuracy reviewed
- ✓ Closing timing reviewed vs. plan
- ✓ Process issues documented
- ✓ Checklist updates identified for next month

Metrics Embedded in the Checklist

If it's not measured, it won't improve

- ✓ Percent of invoices processed pre-close
- ✓ Number of late invoices
- ✓ Accrual accuracy rate
- ✓ Days to complete AP close
- ✓ Rework or correction count

A smooth close isn't luck – it's the result of clear priorities, defined ownership, and a process the AP team can rely on every month.

Actionable Takeaways

1. Document AP Close Calendar and Checklist
 - Shift work earlier into pre-close wherever possible
 - Treat close as a repeatable process, not a monthly crisis
2. Prioritize and Identify
 - Separate *must-post* from *nice-to-post*
 - Let accruals absorb uncertainty instead of forcing late postings
 - Clearly identify what AP owns vs. supports
 - Identify cross-functional inputs and deadlines upfront
 - Track dependencies openly in the close checklist
3. Reduce Errors and Continuously Improve
 - Validate and review pre-close
 - Use standard templates and checkpoints
 - Track close metrics
 - Log late invoices and accrual accuracy
 - Update the checklist after every close

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QUESTIONS?

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