

Trade Finance in Ten Podcast: Episode 1 Summary

Monthly Reports and Cadence

1. Why Today's Topic Is Important

Your numbers only help you if they're **current, accurate, and consistent**. A simple reporting cadence—having the same core reports ready by the 10th of each month—gives you a clear view of how the business is really doing. When transactions spill into the wrong month, or reports are late, you end up making decisions based on bad or incomplete information. A monthly close process, done the same way every time, turns your financials into a tool you can trust instead of something you avoid.

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2. Key Takeaways

- You need a **month-end close** each month: all income and expenses recorded in the correct month before you look at reports.
- Even if you file taxes on cash basis, viewing your internal reports on **accrual** gives a more accurate picture of performance.
- By the 10th, you should be reviewing these five reports for the prior month:
    - Profit & Loss
    - Balance Sheet
    - Statement of Cash Flows
    - Accounts Payable Aging
    - Accounts Receivable Aging
- The P&L shows if you made a profit, but doesn't show if you collected the cash or paid your bills yet, or what debt you're carrying.
- The Balance Sheet shows what you own, what you owe, and what's left for you.

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- The Cash Flow Statement explains why your bank balance moved up or down.
- The Accounts Payable (AP) Aging reports show what you owe vendors and if a bill is past due.
- The Accounts Receivable (AR) Aging reports show what customers owe and if any invoices are past due.
- Consistency (same reports, same process, same deadline each month) matters more than instant perfection. Just get started and work through the cleanup together as a team, giving grace and using it as a learning/teaching opportunity.

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3. Action Steps to Consider

- ☐ Set a rule for your company: something like **prior month closed and reports run by the 10th of the next month**.
- ☐ Before running reports, make sure all customer invoices, vendor bills, and regular transactions are entered in the correct month, and bank and credit card accounts are reconciled against statements.
- ☐ Run and save the five core reports for last month in accrual format (P&L, Balance Sheet, Cash Flow, AP Aging, AR Aging) as PDFs in a "Monthly Reports" folder.
- ☐ Spend a few minutes reviewing the reports: circle anything that looks off, especially big swings, missing expenses, or strange balances. If you can't figure out why something is off, seek help, don't let it sit.
    - **Next week we will begin diving into red flags to look for in each report**
- ☐ Fix obvious errors and then treat the month as "closed." Establish a written policy: only [specify owner/bookkeeper/controller] can make prior-period adjustments, and all changes must be documented with the reason. Alert your CPA or accountant to any items you can not figure out or fix properly in house. Keep a running list of these items so they aren't a surprise at tax time or when you apply for a loan.
- ☐ Repeat this process every month to build a stable reporting habit that your whole team can follow.

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