



The Bookkeeping Cleanup Diagnostic Guide

Overview

This guide provides a structured, operator-grade path for stabilizing a bookkeeping file. It expands the roadmap you provided and adds the granularity owners and bookkeepers need to understand how each stage fits together. The goal is to restore structural integrity, stop the file from shifting, and bring the numbers back to solid ground.

1. Establish the Starting Point

- Identify what the owner is experiencing (unsteady reports, unexplained balances, shifting numbers).
 - Capture the symptoms without diagnosing them prematurely.
 - Confirm the date through which the owner believes the books are "caught up."
 - Note any recent changes in bookkeepers, systems, or workflows.
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2. Balance Sheet First: Structural Assessment

The Balance Sheet reveals structural issues long before the P&L does.

What to review

- Bank accounts: unreconciled months, missing statements, forced reconciliations.
- Credit cards: unreconciled activity, missing payments, duplicated feeds.
- Loans: incorrect balances, missing principal/interest splits.
- Undeposited Funds: deposits not tied to customer activity.
- A/R and A/P: balances that don't match real-world activity.

What this stage tells you

- Whether the file can support accurate reporting.
- Whether prior work was structural or cosmetic.
- Whether the cleanup will be sequencing or reconstruction.

3. Full Reconciliation Across All Accounts

Reconciliation is the backbone of cleanup. It confirms what actually happened.

Steps

- Reconcile every bank account month-by-month.
- Reconcile every credit card and loan account.
- Reconcile merchant processors to bank deposits.
- Identify duplicates, omissions, and timing differences.

Outcomes

- The file stops shifting.
 - The numbers have a place to land.
 - You can trust the activity you're seeing.
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4. Subledger Alignment: A/R and A/P

Once reconciliation is complete, subledgers reveal the remaining gaps.

Accounts Receivable

- Match customer invoices to deposits.
- Clear unapplied payments.
- Correct misposted sales or deposits.

Accounts Payable

- Link payments to bills.
- Apply vendor credits.
- Remove duplicates and incorrect entries.

Why this matters

Subledgers are where most owner-visible distortions live. Cleaning them restores clarity.

5. P&L Review: Take Multiple Passes

The P&L is the last report to stabilize.

What to look for

- Misclassifications.
- Duplicated expenses.
- Unmatched deposits.
- Timing issues.

Why multiple passes

Each pass becomes more accurate as the structure settles.

6. Month-by-Month Check

This is the final integrity check.

Steps

- Review each month for unexplained swings.
- Confirm reconciliations hold.
- Ensure subledgers remain aligned.
- Verify no new duplicates appear.

Outcome

A file that holds its shape.

7. The Stability Moment

Every cleanup has a turning point — the moment the file stops rewriting itself.

Signals

- Reconciliations are clean.
- Subledgers match real-world activity.
- Reports stop shifting.
- The owner can finally trust the numbers.

8. What Owners Can Expect

- Cleanup is not a mountain.
- It's a sequence.
- When the structure returns, the numbers settle.
- When the numbers settle, clarity returns.

9. When to Ask for Help

If the file feels unsteady, if the numbers don't match the lived experience, or if reports keep shifting, it's a sign the structure needs attention.

A calm, grounded review can reveal the path forward.

10. About This Guide

This diagnostic path reflects the same operator-grade process used to stabilize every cleanup file at Prime Entry Bookkeeping. It is designed to be clear, repeatable, and emotionally safe for owners and bookkeepers alike.