Bookkeeping Cleanup Report

Maple Street Coffee LLC (fictional) · Period: January 1 – October 31, 2026
Prepared November 16, 2026 for Your Firm Name

1,016
book transactions reviewed · 1,000 statement lines matched

19 of 20
account-months reconciled to statements · 1 pending (August statement)

+$15,974.84
net income change; moving owner draws ($40,000.00) out of expense is the largest item

26
transactions need your answer before we finalize

Summary

Every checking and credit-card line for January 1 – October 31, 2026 is matched to the statements. The books had fallen behind from June 2026: **507 transactions ($532,730.45 gross)** sat in Uncategorized or Ask My Accountant. We also found **12 duplicates**, a card payment entered twice, **owner transfers of $40,000.00** booked as Contract Labor, sales recorded including sales tax, and payroll booked from bank lines.

After the proposed corrections, net income for the period moves from **$38,718.35** to **$54,693.19**: owner draws are equity, not an expense, and sales tax collected belongs to the state and city, not to sales. Nothing has been posted; the corrections are ready for approval.

Why 1,016 book rows but 1,000 statement lines: 12 duplicates, the transfer entered twice (it appears in both registers, 2 rows) and 2 checks not yet cleared at October 31.

Scope

Business	Maple Street Coffee LLC (fictional), Single-member LLC (Schedule C); checking ending 4417 and credit card ending 8820
Period	January 1 – October 31, 2026, cash basis. The books are closed through 12/31/2025; nothing dated in 2025 was changed.
Documents used	19 of 20 monthly statements (the August 2026 checking statement is missing; the bank's CSV download was used and the statement requested); QuickBooks Online registers and trial balance; Square monthly sales summaries; Gusto payroll journal; client intake form
Not in scope	Tax returns, including sales-tax and payroll filings; fixed-asset depreciation; accrual adjustments

What we did

- Proved every statement: opening + transactions = closing, and each opening equals the prior month's closing.
- Coded 902 transactions by fixed rules; 74 more came from AI category suggestions, each checked individually by the preparer. Anything not supported by the statement went to the open items.
- Booked payroll from the Gusto payroll journal and sales tax from the Square monthly summaries, not from bank lines.
- Reconciled every account and month, reviewed the balance sheet, and prepared balanced corrections dated in the month they belong.

FOR THE REVIEWING FIRM — REMOVE THIS PAGE BEFORE SENDING THE REPORT TO THE CLIENT

Reviewer checklist

The core spot-check takes about 15 minutes. Every item points to a workpaper tab; the Reviewer Checklist tab has the same list with Done and Note columns and the pre-selected samples.

#	Check	Workpaper tab	Min.
	Core spot-check — about 15 minutes		
1	Difference is 0.00 (green) for every month; August checking shows “Pending statement”.	Bank Rec	2
2	Balance sheet after cleanup: Opening Balance Equity, Undeposited Funds and Payroll Clearing are 0.00; Sales Tax Payable equals October tax collected ($3,810.27); the check row is 0.00.	Balance Sheet	3
3	Read the correction groups and make the two decisions below.	Adjusting JEs, Issues Log	5
4	Spot-check the 10 largest recategorizations against the statement description.	Reviewer Checklist	5
	Deeper review (optional) — about 40 minutes		
5	Check the random sample of 25 categorized transactions (seed 2026, reproducible).	Reviewer Checklist	15
6	Tie PAY-01 … PAY-10 to the Gusto payroll journal (gross wages $146,086.18); tie Q1–Q3 wages to Forms 941.	Adjusting JEs, Source Index	10
7	Tie STX-01 … STX-10 to the Square summaries (tax collected $37,523.93) and the state and city returns.	Adjusting JEs, Source Index	10
8	Forward the open items (page 6) to the client.	Review Queue	5

Decisions that need your professional judgment

- **UF-01, Undeposited Funds $3,186.40.** Fourteen Square sales receipts from December 1–14, 2025 were posted to Undeposited Funds, and the same days' deposits were also booked as sales, so 2025 sales are overstated. We propose clearing it against Retained Earnings on 01/01/2026, which keeps 2026 correct and leaves the closed year untouched. Alternatively, amend 2025 and correct it there; if so, remove CU-UF-01 from the import file.
- **$1,489.00 Amazon order (07/10).** Equipment or supplies? If your firm applies the de minimis safe harbor election for this client, it can be expensed; the client's answer is in the open items.
- **Possibly personal charges** (streaming, app subscriptions, farmers market, Target) and P2P payments: we propose Owner's Draws or Contract Labor only after the client answers. Two Zelle recipients may need a W-9 and 1099 review.
- **Payroll tie-out:** the Gusto payroll journal was provided; copies of the Q1–Q3 Forms 941 were not. Request them before relying on the quarterly totals.

After approval

Delete the 14 register rows in *Transactions_To_Delete.csv*, import *QBO_Journal_Entries_Import* (43 entries, turn account numbers off first), then complete the QBO reconciliation for each month and keep the reconciliation reports. We can post these through your accountant invite if you prefer. Bank-rule and chart-of-accounts changes are listed in *Handoff_Notes.md*.

About this sample: about 100 statement lines a month across 2 accounts, which is the Lite tier (up to 100 a month): 10 months × $95 = $950 to your firm.

Key findings

Finding	Items	Amount	What it means and what we did
Owner transfers booked as Contract Labor by a bank rule	10	$40,000.00	Expenses overstated; draws are not deductible. Moved to Owner's Draws (OD); the bank rule should change.
Sales recorded including sales tax, card fees netted	10 months	$37,523.93	Tax collected moved to Sales Tax Payable and $12,847.98 of card fees grossed up, per the Square summaries; remittances now reduce the liability (STX).
Payroll booked from bank lines	22 runs	$146,086.18	Wages were net pay; the tax impound included withholding. Now gross wages and employer taxes ($12,490.36) per the Gusto payroll journal (PAY).
Uncategorized pile (Uncategorized Income/Expense, Ask My Accountant)	507	$532,730.45	477 categorized; 26 need your answer; 4 were duplicates.
Duplicate transactions from bank-feed reconnects (Apr 14–16 checking, Sep 8–10 card)	12	$8,471.54	Sales and expenses overstated. To be deleted (DUP).
Card payment entered twice (May 20)	1	$5,703.27	Checking and card balances in the books were both understated. To be deleted (XFR).
Misclassified expenses (internet in Utilities, food supplies in Meals, repairs in Office Supplies)	19	$4,052.10	Expense lines corrected (MIS). No effect on net income.
Opening Balance Equity from balances typed in when accounts were added (03/01/2024)	3 balances	$18,030.00	Explained line by line and closed to Owner's Capital (OBE). No profit or tax effect.
Stale Undeposited Funds from December 2025	14 receipts	$3,186.40	2025 sales counted twice. Cleared against Retained Earnings, subject to your firm's decision (UF).
Missing statement: August 2026 checking	57	$110,763.01	Tied to the bank's CSV download (July closing to September opening) but not counted as reconciled. Please send the PDF.

Amounts are gross (absolute values). Payroll, misclassified-expense, Opening Balance Equity and Undeposited Funds corrections move amounts between accounts and do not change net income. The 26 items awaiting your answers ($11,276.93 gross) stay in Uncategorized, so the figures below can still change.

Effect on profit and loss

	Per current books	Corrections	After cleanup
Income	$530,273.55	($34,855.91)	$495,417.64
Cost of goods sold	$74,525.52	$81,450.16	$155,975.68
Operating expenses	$417,029.68	($132,280.91)	$284,748.77
Net income	**$38,718.35**	**$15,974.84**	**$54,693.19**

Net income bridge	
Net income per current books	$38,718.35
Duplicates deleted	($1,593.88)
Owner draws moved to equity	$40,000.00
Sales tax collected out of sales, remittances out of expense	($17,431.28)
Owner contribution moved out of income	($5,000.00)
Net income after cleanup	**$54,693.19**

Proposed corrections

Two kinds, never both for the same item: register rows to **delete** (duplicates and the transfer entered twice), and **journal entries** in the import file, each dated at the end of the month it belongs to.

Group	Purpose	Entries	Txns	Total debits	How it is posted
DUP-04, DUP-09	Duplicates from feed re-imports	2	12	$5,939.30	Delete rows
XFR-05	Card payment entered twice	1	1	$5,703.27	Delete row
OBE-01	Opening Balance Equity to Owner's Capital	1	–	$18,030.00	JE import
UF-01	Stale Undeposited Funds (Dec 2025)	1	–	$3,186.40	JE import; your decision
OD-01 … OD-10	Owner draws out of Contract Labor	10	10	$40,000.00	JE import
PAY-01 … PAY-10	Payroll from the Gusto journal	10	44	$96,719.91	JE import
STX-01 … STX-10	Sales tax and fees from Square summaries	10	10	$38,085.64	JE import
UNC-02 … UNC-10	Uncategorized items categorized	6	445	$416,502.64	JE import
MIS-01 … MIS-05	Misclassified expenses	5	19	$4,052.10	JE import
Total		**46**	**541**	**$628,219.26**	

Total debits are net per account within each entry, so they can be lower than the gross transaction amounts on page 3. Full line detail is in the workpaper (Adjusting JEs).

Balance sheet at October 31, 2026

	Per current books	Corrections	After cleanup
Assets			
Business Checking x4417	$38,083.96	$3,202.80	$41,286.76
Undeposited Funds	$3,186.40	($3,186.40)	$0.00
Equipment	$8,900.00	$0.00	$8,900.00
Total assets	**$50,170.36**	**$16.40**	**$50,186.76**
Liabilities			
Business Credit Card x8820	$971.41	$4,796.68	$5,768.09
Sales Tax Payable	($13,621.01)	$17,431.28	$3,810.27
Total liabilities	**($12,649.60)**	**$22,227.96**	**$9,578.36**
Equity			
Opening Balance Equity	$18,030.00	($18,030.00)	$0.00
Owner's Capital	$0.00	$18,030.00	$18,030.00
Owner's Contributions	$0.00	$5,000.00	$5,000.00
Owner's Draws	$0.00	($40,000.00)	($40,000.00)
Retained Earnings	$6,071.61	($3,186.40)	$2,885.21
Net income, current period	$38,718.35	$15,974.84	$54,693.19
Total equity	**$62,819.96**	**($22,211.56)**	**$40,608.40**

Before cleanup the books showed Sales Tax Payable as a debit balance ($13,621.01 owed to the business), a card balance understated by the payment entered twice, $18,030.00 in Opening Balance Equity and $3,186.40 in Undeposited Funds. After cleanup, Sales Tax Payable equals October tax collected, and Payroll Clearing, Opening Balance Equity and Undeposited Funds are zero. Liabilities and equity are shown as positive balances.

Reconciliation by month

Statement balance, less checks written but not yet cleared, compared with the book balance after the proposed deletions. Every difference is $0.00. Card balances are amounts owed, shown in parentheses.

Business checking x4417

Month	Statement	Outstanding checks	Adjusted bank	Books before	Deletions	Adjusted books	Diff.	Status
Jan 2026	$18,312.37	($1,080.22)	$17,232.15	$17,232.15	$0.00	$17,232.15	$0.00	Reconciled
Feb 2026	$22,264.33	($1,206.24)	$21,058.09	$21,058.09	$0.00	$21,058.09	$0.00	Reconciled
Mar 2026	$29,766.80	($1,202.17)	$28,564.63	$28,564.63	$0.00	$28,564.63	$0.00	Reconciled
Apr 2026	$28,632.79	($1,277.91)	$27,354.88	$29,855.35	($2,500.47)	$27,354.88	$0.00	Ties after deletions
May 2026	$24,405.73	($1,206.31)	$23,199.42	$19,996.62	$3,202.80	$23,199.42	$0.00	Ties after deletions
Jun 2026	$36,484.15	($1,262.77)	$35,221.38	$32,018.58	$3,202.80	$35,221.38	$0.00	Ties after deletions
Jul 2026	$38,873.70	($1,343.15)	$37,530.55	$34,327.75	$3,202.80	$37,530.55	$0.00	Ties after deletions
Aug 2026	$45,368.71	($701.95)	$44,666.76	$41,463.96	$3,202.80	$44,666.76	$0.00	Pending statement*
Sep 2026	$46,901.00	($556.50)	$46,344.50	$43,141.70	$3,202.80	$46,344.50	$0.00	Ties after deletions
Oct 2026	$42,528.92	($1,242.16)	$41,286.76	$38,083.96	$3,202.80	$41,286.76	$0.00	Ties after deletions

Business credit card x8820

Month	Statement (owed)	Books before	Deletions	Adjusted books	Diff.	Status
Jan 2026	($4,849.74)	($4,849.74)	$0.00	($4,849.74)	$0.00	Reconciled
Feb 2026	($5,534.13)	($5,534.13)	$0.00	($5,534.13)	$0.00	Reconciled
Mar 2026	($5,547.05)	($5,547.05)	$0.00	($5,547.05)	$0.00	Reconciled
Apr 2026	($5,703.27)	($5,703.27)	$0.00	($5,703.27)	$0.00	Reconciled
May 2026	($5,095.24)	$608.03	($5,703.27)	($5,095.24)	$0.00	Ties after deletions
Jun 2026	($5,242.95)	$460.32	($5,703.27)	($5,242.95)	$0.00	Ties after deletions
Jul 2026	($6,680.24)	($976.97)	($5,703.27)	($6,680.24)	$0.00	Ties after deletions
Aug 2026	($5,255.89)	$447.38	($5,703.27)	($5,255.89)	$0.00	Ties after deletions
Sep 2026	($5,104.85)	($308.17)	($4,796.68)	($5,104.85)	$0.00	Ties after deletions
Oct 2026	($5,768.09)	($971.41)	($4,796.68)	($5,768.09)	$0.00	Ties after deletions

Result: 19 of 20 account-months reconciled to statements — 7 as booked and 12 once the duplicates and the transfer entered twice are deleted. 1 month is pending its statement.

* August 2026 checking: no statement was provided. Activity from the bank's CSV download carries the July closing balance exactly to the September opening balance, but the month is not counted as reconciled until the statement arrives.

Outstanding at October 31: 2 checks totaling $1,242.16, to confirm on the November statement.

Open items — we need your answers

Please reply by email or in the workpaper (Review Queue tab). Until answered, these items stay in Uncategorized.

Documents

- August 2026 checking statement (PDF) — download it from online banking.
- Copies of the Q1–Q3 2026 Forms 941 from Gusto, to tie quarterly wages.
- Confirm the two October checks ($1,242.16 in total) clear on your November statement.

Transactions needing an answer — the 12 largest of 26 ($11,276.93 gross in total; outflows in parentheses)

Date	Account	Amount	Question
07/10/2026	Card	($1,489.00)	What was the $1,489.00 Amazon order on 07/10 — equipment (e.g. a grinder) or supplies? Please send the order details.
09/10/2026	Checking	($1,450.00)	Check #1062 for $1,450.00 (09/10) has no payee or memo — who was it paid to, and for what?
06/08/2026	Checking	$1,200.00	What was the $1,200.00 mobile check deposit on 06/08 (catering sale, refund, owner money, loan)?
09/18/2026	Checking	($1,200.00)	Who received the $1,200.00 Zelle payment on 09/18 and what was it for?
10/13/2026	Checking	$850.00	What was the $850.00 mobile check deposit on 10/13?
07/17/2026	Checking	$642.12	Please send the IRS notice for the $642.12 refund on 07/17 (which tax and period?).
03/21/2026	Card	($612.40)	Was the $612.40 Delta flight on 03/21 a business trip? If so, destination and purpose.
02/20/2026	Checking	($450.00)	Who received the $450.00 Zelle payment on 02/20 and what was it for? If a worker, we need a W-9 for 1099 review.
05/15/2026	Checking	($450.00)	Same recipient as 02/20 — who is it and what was the $450.00 for?
03/06/2026	Checking	($400.00)	What was the $400.00 ATM withdrawal on 03/06 used for?
10/08/2026	Checking	($325.00)	Check #1063 for $325.00 (10/08) has no payee or memo — who was it paid to, and for what?
01/23/2026	Checking	($300.00)	What was the $300.00 ATM withdrawal on 01/23 used for (petty cash, change fund, personal)?

The remaining 14 items ($1,908.41 gross) are listed with their questions in the workpaper Review Queue tab.

Prepared for Your Firm Name — reviewed by

Reviewed by (name, firm) _____ Date _____

This report is based on the statements and records provided. It is not an audit or review engagement and does not express an opinion or give tax advice. Proposed corrections are posted only after approval.