

The 37-Point Staffing Accounting Checklist

For US & Canadian staffing and recruitment agencies running W2, 1099, T4, T4A and Corp-to-Corp consultants.

Use this checklist to audit your back office before month-end close, before a lender or MSP review, or before migrating to a staffing-aware system like **Ledgerly**. Tick every box — anything left blank is margin leakage.

1. CONSULTANT & ENGAGEMENT SETUP

1. Consultant & engagement setup

- Every active consultant has an engagement type recorded: W2, 1099, T4, T4A or C2C.
- Bill rate, pay rate and burden % are on file for every consultant — not in email.
- Work location (US state / Canadian province) is recorded for tax exposure.
- PO number, end client and MSP/VMS source captured per assignment.
- Contract start, end and extension dates tracked centrally.

2. TIMESHEETS & APPROVALS

2. Timesheets & approvals

- Single source of truth for hours (no parallel spreadsheets).
- Approver on record for every timesheet (client manager or MSP).
- OT, DT, holiday and per-diem rules configured per state / province.
- Late-timesheet escalation runs automatically each pay period.
- VMS feeds (Fieldglass, Beeline, IQN, Magnit) reconciled weekly.

3. CLIENT INVOICING

3. Client invoicing

- Invoices generated from approved hours — never re-keyed.
- GST / HST / PST / QST applied correctly per Canadian province.
- US sales tax / nexus reviewed quarterly for multi-state placements.
- Per-PO and per-cost-center invoicing supported.
- Net terms, late-fee policy and AR aging cadence defined.
- Multi-currency (USD & CAD) handled with FX gain/loss posting.

4. PAYROLL & CONTRACTOR PAY

4. Payroll & contractor pay

- Payroll provider mapped (Gusto, ADP, Paychex, Rippling, Wagepoint, Ceridian, Payworks).
- 1099 / T4A contractor pay run separated from W2 / T4 payroll.
- C2C vendor invoices matched to approved hours before payment.
- CPP, EI, FICA, FUTA, SUTA, WSIB / WCB accrued correctly.
- Year-end W2, 1099-NEC, T4 and T4A workflows documented.

5. MARGIN & PROFITABILITY REPORTING

5. Margin & profitability reporting

- Live margin per consultant (bill – pay – burden) visible to leadership.
- Margin per client and per recruiter desk reported monthly.
- Bench cost and non-billable time tracked separately.
- Discount / rebate / MSP fee impact reflected in net margin.
- Gross margin %, net margin % and revenue per consultant trended.

6. BOOKS, CLOSE & CONTROLS

6. Books, close & controls

- Staffing-aware chart of accounts (revenue, COGS, SG&A separated).
- Bank, payroll and merchant accounts reconciled monthly.
- AR aging, AP aging and unbilled revenue reviewed weekly.
- Audit trail on every timesheet edit, invoice and journal.
- Role-based access for recruiters, finance and leadership.
- Monthly close completed within 10 business days.

7. COMPLIANCE, AUDIT & LENDER READINESS

7. Compliance, audit & lender readiness

- Workers comp / WSIB classifications reviewed annually.
- I-9 / E-Verify / SIN documentation on file per consultant.
- Insurance certificates (GL, E&O, cyber) current and on file.

- Sales / GST / HST returns filed on schedule with backup.
- Lender / investor pack (P&L, AR aging, margin) producible in under 1 day.

Next step: Book a free 30-minute Ledgerly walkthrough — bring one client and one pay period and we'll show you the full timesheet to invoice to payroll to margin loop on your real numbers.

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