

YEAR-END BUSINESS ACCOUNTING CHECKLIST

THINGS TO DO BEFORE DECEMBER 31ST

REVIEW PROFIT & LOSS STATEMENTS

Where do you stand? Review monthly statements looking for trends and cash flow concerns so you can project for next year. Reconcile outstanding accounts receivable and accounts payable.

GATHER & ORGANIZE RECEIPTS

Don't wait until April to open your shoebox full of receipts. Gather them up and put them into categories now. Be sure to keep receipts for six years, as the IRS may audit your filing for that long.

RECONCILE ACCOUNTS & CREDIT CARDS

A few common areas to watch out for if you're worried about end of year accounting are withholding taxes for fringe benefits, deferred compensation and end of year bonuses.

PREP YEAR-END BONUSSES & GIFTS

The end of the year is a popular time to grant bonuses to employees. Check the budget and prep these ahead of time.

VERIFY EMPLOYEE DATA

Verify employee names, addresses, social security numbers and W-2s. You'll also want to review retirement plans, health benefits, fringe benefits, sick time, vacation time and deferred compensation.

CALCULATE BUSINESS DEDUCTIONS

Review miles driven for work, travel expenses, home office purchases and other common business deductions you'll want to tell your accountant about.

REVIEW BANK & CREDIT TERMS

Q4 is a great time to negotiate better bank, interest and credit terms. Also confirm which employees have access to which accounts and credit cards, as well as assign a successor, just in case one is needed.

MAKE YEAR END PURCHASES

You may be able to write off most or all of business related purchases. If you're considering machinery or equipment purchases, or just office supplies, ask your accountant what you'll be able to write off.

PREP 1099S

Verify contractor info such as names, addresses and ID numbers. Begin prepping 1099s for any vendors or contractors you paid \$600 or more this year.

TAKE PHYSICAL INVENTORY

Take a physical inventory and match it with your year-end balance sheet. This info is also helpful to your bookkeeper to know how much you've spent on inventory, along with its current value.

CONTACT YOUR ACCOUNTANT

Schedule a meeting with your accountant or bookkeeper to go over your small business finances.

SET FINANCIAL GOALS FOR NEXT YEAR

Determine where you stand and then write out financial goals and plans for the next year.

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