

THE DEFINITIVE YEAR-END CHECKLIST FOR SMALL BUSINESSES

GENERAL CHECKLIST

- Reconcile Bank Statements:** Ensure all transactions match bank records.
- Review Accounts Receivable/Payable:** Confirm outstanding invoices/payments.
- Inventory Valuation:** Verify inventory levels and adjust valuation if needed.
- Depreciation:** Update fixed asset registers and calculate depreciation expenses.
- Payroll Reconciliation:** Verify payroll records, withholdings, and employee details.
- Expense Review:** Scrutinize expenses for accuracy and proper categorization.
- Loan and Interest Reconciliation:** Confirm loan balances and accrued interest.
- Accruals and Deferrals:** Adjust for expenses/income recognized but not recorded.
- Review Prepaid Expenses and Deferred Revenue:** Ensure accurate recording.
- Review Equity Accounts:** Check for unusual entries or discrepancies.
- Verify Tax Compliance:** Ensure adherence to tax laws and regulations.
- Prepare Financial Statements:** Generate income, balance sheet, cash flow statements.

TAX-SPECIFIC CHECKLIST

- Gather Tax Documents:** Collect W-2s, 1099s, receipts, financial statements.
- Verify Tax ID Numbers:** Confirm accuracy of all tax identification numbers.
- Estimated Tax Payments:** Review and reconcile estimated tax payments.
- 1099 Reporting:** Confirm accuracy of contractor/vendor information.
- Tax Deductions:** Review and document eligible business expenses.
- Capital Asset Transactions:** Record purchases & disposals, calculate gains/losses.
- Tax Compliance Review:** Review Tax returns prior to signing to ensure compliance..
- Research Tax Law Changes:** Stay updated on tax law changes impacting business.

ADDITIONAL CONSIDERATIONS

- Adjust Journal Entries:** Make necessary adjustments for accuracy.
- Back Up Financial Data:** Securely backup all financial records.
- Communicate with Team:** Discuss findings and clarify information.
- Document Procedures:** Create a detailed year-end closing process document.
- Engage Tax Professionals:** Collaborate with tax professionals for guidance.



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