Year-End Bookkeeping Checklist

Close out the year with clean, organized books.

A practical year-end guide for small business owners

1. Complete Your Bookkeeping Through Year-End

- ■ Make sure all bank and credit card transactions through December 31 have been entered or imported
- ■ Categorize all remaining income and expense transactions
- ■ Resolve Uncategorized Income, Uncategorized Expense, Ask My Accountant and similar temporary accounts
- ■ Review transfers between accounts for proper recording
- ■ Identify personal expenses paid from business accounts
- ■ Record owner contributions, draws or distributions appropriately
- ■ Review large or unusual transactions for proper classification
- ■ Make sure supporting receipts and documentation are organized and retained

2. Reconcile Cash & Credit Card Accounts

- ■ Reconcile every business checking and savings account through the final statement of the year
- ■ Reconcile every business credit card through the final statement of the year
- ■ Confirm reconciliation differences are $0.00
- ■ Review old outstanding checks and determine whether they are still valid
- ■ Review old uncleared deposits and investigate discrepancies
- ■ Confirm credit card payments were recorded as payments/transfers - not expenses
- ■ Save or retain year-end reconciliation reports and statements

3. Review Accounts Receivable & Accounts Payable

- Review the Accounts Receivable Aging report for old or questionable customer balances
- Follow up on outstanding customer invoices
- Identify customer balances that may need adjustment or review
- Review unapplied customer payments and credits
- Review the Accounts Payable Aging report for unpaid vendor bills
- Confirm old bills shown as unpaid were not actually paid another way
- Review unapplied vendor credits and payments
- Make sure year-end receivables and payables reflect actual amounts owed

4. Vendor & 1099 Review

- Review vendors paid during the year for potential information-reporting requirements
- Make sure a completed Form W-9 is on file for applicable vendors
- Follow up on missing or incomplete W-9s before year-end
- Verify vendor legal name, business name, address and federal tax classification against the W-9
- Review vendor payment totals for accuracy
- Review payment methods because some card or third-party network payments may be reported by the payment processor rather than by your business
- Identify vendors and payments that may require Form 1099-NEC or Form 1099-MISC
- Resolve duplicate vendor records before preparing information returns
- Confirm your vendor records contain the information needed for January filing and recipient deadlines

Bookkeeper's Note:
Best practice: Don't wait until January to request W-9s. Obtain a completed Form W-9 from applicable vendors before issuing payment whenever possible. Information-return requirements can vary by vendor type and payment method, so confirm current filing rules when preparing 1099s.

5. Review Loans, Assets & Other Balance Sheet Accounts

- ■ Compare loan balances to year-end lender statements
- ■ Separate loan principal payments from interest expense where applicable
- ■ Verify business credit card balances agree with statements
- ■ Review equipment, vehicles and other significant purchases made during the year
- ■ Identify asset purchases that may need to be reviewed by your tax professional
- ■ Review owner equity, contributions and distributions for reasonableness
- ■ Review Undeposited Funds, clearing and suspense accounts
- ■ Investigate negative or unusual balance sheet balances

6. Payroll & Tax Review

- ■ Confirm all payroll for the year has been recorded
- ■ Review payroll liability accounts for unusual or past-due balances
- ■ Confirm payroll tax payments have been recorded
- ■ Review year-to-date payroll reports for reasonableness
- ■ Confirm employee and contractor records are current
- ■ Review applicable sales, excise or other tax liabilities
- ■ Confirm outstanding tax payments and filing obligations are identified
- ■ Retain payroll reports and tax filing confirmations with year-end records

7. Hawaii Business Review

- ■ Review income subject to Hawaii General Excise Tax (GET)
- ■ Confirm GET filings and payments are current
- ■ Review any differences between bookkeeping revenue and amounts reported for GET
- ■ Identify filing periods or amendments that may still require attention

8. Review Year-End Financial Statements

- ■ Run a Profit & Loss for the full year
- ■ Run a Balance Sheet as of December 31
- ■ Review Accounts Receivable and Accounts Payable Aging reports, if applicable
- ■ Compare annual revenue and expenses with the prior year or expectations
- ■ Investigate unusually large, negative or unexpected account balances
- ■ Review major expense categories for miscoding or duplicate transactions
- ■ Confirm net income appears reasonable based on business activity
- ■ Make sure the Balance Sheet reflects known bank, credit card, loan and equity balances

Bookkeeper's Note:
Your year-end reports should tell a story that makes sense. If a balance or expense category looks unusual, investigate it before sending the books to your tax professional.

9. Ready for Your Tax Professional?

- ■ Bookkeeping is complete through December 31
- ■ All bank and credit card accounts are reconciled
- ■ Vendor W-9s and 1099 information have been reviewed
- ■ Payroll records and year-end payroll reports are organized
- ■ Loan statements and year-end balances are available
- ■ Major asset purchases are identified with supporting documentation
- ■ Year-end Profit & Loss and Balance Sheet have been reviewed
- ■ Questions or unusual transactions have been documented for your tax professional
- ■ Requested tax documents are organized and ready to provide

Year-End Review Details

Tax Year: ______________________________

Reviewed By: ______________________________

Date Completed: ______________________________

Tax Professional / CPA: ______________________________

Items Requiring Follow-Up

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Start the New Year With Confidence

Year-end is easier when the books are kept current throughout the year.

Use the **Monthly Bookkeeping Checklist** and **Bank & Credit Card Reconciliation Checklist** to stay on track throughout the year.

How confident are you in your business financials?
Take the free **Aloha Bookkeeping Pros Business Finance Confidence Scorecard** to identify areas that may need attention.

Need help getting your books cleaned up or ready for year-end?
Aloha Bookkeeping Pros provides monthly bookkeeping, reconciliations, financial reporting, QuickBooks Online support and cleanup services for small businesses.

AlohaBookkeepingPros.com