# Year-End Close Checklist

**Preliminary Review**

- Reconcile **all bank accounts** (including petty cash)
- Reconcile **credit card accounts**
- Verify **loan balances** & reconcile to statements
- Verify **accounts receivable (AR) aging** — follow up on outstanding invoices
- Verify **accounts payable (AP) aging** — pay outstanding bills

**Financial Data Clean-up**

- Verify all **income** is recorded & categorized correctly
- Review **expense accounts** for proper categorization
- Review **owner draws / contributions / distributions**
- Write off **bad debts** if necessary
- Record **depreciation** & amortization
- Verify inventory balances & adjust for shrinkage or obsolete stock
- Review **payroll records** for accuracy (match W-2 totals)

**Tax Readiness**

- Confirm all **vendor W-9s** are on file
- Prepare and send **1099-NEC** and **1099-MISC** forms by Jan 31
- Confirm all **sales tax** is paid and reported
- Prepare **fixed asset listing** for tax preparer
- Gather documentation for:
    - Large capital purchases
    - Business loans
    - Retirement contributions
    - Charitable donations

**Financial Reporting**

- Generate **year-end Profit & Loss Statement**
- Generate **year-end Balance Sheet**
- Generate **Cash Flow Statement** (optional but recommended)
- Save full **General Ledger** backup for the year

**Strategic Wrap-Up**

- Meet with tax professional to review **tax planning opportunities**
- Close out books & lock prior year in accounting software
- Archive all year-end financial reports securely
- Backup all critical financial data (cloud and offline copy)
- Set **budget & goals** for new year

**Tip:**

**Start early — don't wait until January!**

- ✅ Schedule a block of time for year-end review
- ✅ Communicate with your tax preparer in advance
- ✅ Finalize books by January 31 wherever possible