

Year-End Close Checklist

Close cleanly with fewer surprises.

The year-end close process ensures your company's books are accurate, compliant, and ready for the next fiscal year. A structured checklist reduces stress, prevents errors, and gives leadership confidence in the numbers. Here's a practical step-by-step guide.

1. Preliminary Review

- Confirm all transactions are entered.
- Reconcile bank accounts, credit cards, and petty cash.
- Verify accounts receivable and accounts payable subledgers against the general ledger.

2. Revenue and Expenses

- Ensure revenue recognition aligns with accounting standards.
- Accrue unpaid expenses (payroll, utilities, vendor bills).
- Defer or amortize prepaid expenses.

3. Inventory and Fixed Assets

- Count and reconcile inventory.
- Adjust for obsolete or slow-moving stock.
- Record depreciation and asset disposals.

4. Liabilities and Equity

- Confirm loan balances and interest accruals.
- Reconcile tax liabilities and employee benefit obligations.
- Review equity accounts and retained earnings roll-forward.

5. Financial Statements

- Prepare preliminary income statement, balance sheet, and cash flow statement.
- Investigate unusual variances or outliers.
- Ensure footnotes and disclosures are updated.

6. Compliance and Audit Prep

- File necessary tax documents and information returns.
- Prepare schedules for external auditors or advisors.
- Verify internal controls and sign-offs are documented.

7. Management Review and Sign-Off

- Present draft financials to leadership.
- Incorporate feedback and finalize adjustments.
- Obtain official approval for year-end close.

Final Thoughts

A disciplined year-end close sets the stage for informed decision-making, tax compliance, and smoother audits. Using this checklist ensures you wrap up the year with accuracy and confidence—ready to take on the new year.