

# Year-End Accounting Checklist

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## **Schedule Year-End Meetings:**

### **CPA:**

Schedule a year-end planning session with the business's CPA for tax planning (estimated liability, deductions or credits, and strategies for reducing tax liabilities for the upcoming year). Aim for early November, if possible, to ensure at least 10 full months of data is available for analysis.

### **CFO:**

Schedule a session with CFO or the most strategic resource available to the business (eg. senior accountant or Controller) to review 2023 results, create KPIs and plan to meet 2024 goals. This meeting may need to take place in October to allow time for review, stakeholder buy-in and approval.

## **Tax and Legal Compliance:**

### **Update employee and vendor information for tax reporting purposes.**

This includes collecting W9 forms for vendors that will receive a 1099, rather than waiting until right before the due date to send 1099s (some of which are due January 31st). Chances are that new vendors have been added over the year and/or some vendors have had an address change. The same goes for updating W-2 information for employees.

### **Obtain sales tax exemption certificates.**

Accounting will need one from any vendor that has not paid sales tax. Ideally, these should have been collected at the time of purchase.

### **Collect workers compensation proof of insurance certificates.**

Collect certificates from contractors so the company won't have to pay workers comp on payments made to them or scramble at audit time.

### **Verify compliance with new tax regulations.**

Adjust payroll accordingly.

## **Human Resource and Payroll:**

### **Audit and manage employee PTO.**

Review balances and update corresponding payroll data (reset or rollover days as needed).

### **Coordinate with payroll software providers.**

Ensure correct tax withholding and deductions. After the final payroll run, for example,

make any W2 adjustments necessary for things like health insurance or personal use of company auto.

- Calculate and address year-end bonuses.** Update bonuses and other performance-related payouts in the payroll system.
- Communicate 2024 Holiday Calendar.**  
Take a look at the 2024 calendar to determine which holidays the company will close and provide employees with a copy.
- Update mileage deduction rates.**  
Update the payroll system with updated rate and mileage deduction. The IRS typically releases the updated rates in December.
- Update revised unemployment insurance.**  
Make changes in the payroll system according to state law.
- Schedule the 2023 Holiday Party**  
(if the company is going to have one) as well as start thinking about any corporate gift giving for year-end. Yes, it's only October but restaurants fill up fast and vendors take a while to ship product, especially if it's custom.

## **Inventory and Assets:**

- Set a date to conduct a thorough year-end inventory.**  
Adjust books as necessary once done.
- Evaluate obsolete or unsalable inventory.**  
Write off unsalable inventory. If possible, sell scrap inventory or other waste components.
- Update the fixed assets register.**  
Make sure all disposals are recorded, add any new additions, and make necessary adjustments.

## **Accounts Payable and Receivable:**

- Record and reconcile all outstanding bills and invoices.**  
Record all bills that will be due through the end of the year and reconcile the accounts payable balance to these open bills.
- Make loan adjustments.**  
Confirm the loan balance matches the most recent statement and make adjustments if needed.
- Perform a detailed analysis of all balance sheet accounts.**  
Ensure all balances are correct and current.
- Record accrual entries.**  
Record expenses or revenues incurred or earned but not yet paid or received. If paying taxes on a cash basis, adjust as needed.

## **Document Management:**

- Maintain a clear paper trail by matching transactions with corresponding documents.**  
Receipts, bills, packing slips, etc. should be matched with their corresponding transactions.

**Pull year-end statements.**

Download and securely store digital copies of bank statements, payroll reports, and other financial documents.

**Scan paper documents.**

Digitize paper documents and contracts for efficient electronic storage and retrieval as well as savings due to not storing physical documents.

**File and organize essential business documents.**

Leases and vendor contracts, asset purchases, employee hiring contracts would all fall in this category.

**Financial Planning and Reporting:**

**Assess profits, expenses, and deductions for tax planning and financial forecasting.**

Work with a CPA to choose whether to maximize deductions to save on taxes, or whether to reflect more income. Decide what can be deferred into 2024 or what to have as part of 2023 results.

**Develop a comprehensive budget for 2024.**



Integrate it into the accounting system. Learn how to create a budget in QuickBooks via our Small Business Tips section.

**Review pricing of products and services.**

Review product and services prices based on market trends and profitability (this is a good one to do in the “Strategic Planning” meeting with a CFO-level resource) and determine whether they should change in the next year.

**Review clients/customers for “fit”.**



Consider top grading customers if the business has had significant growth or lost capacity and is struggling to keep up. Learn how to create an ABC ranking tool via our Small Business Tips section.

**Set 2024 Financial KPIs.**

Analyze key performance metrics from the previous financial year and set targets for 2024.



*Struggling with a few of the items?*

Reach out to Lucrum Consulting for expert CFO and accounting assistance and guidance in navigating the financial landscape of the new year.