Pre-Edited Draft of Article, "Year-End Checklist," by

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Year end brings lots of opportunities for us to be able to help our clients ensure they have a successful close to one year and beginning of another. Helping our clients be organized and complete in their year-end processes ensures a smoother transition from year to year.

In addition to the normal month end procedures, as outlined in the article written by Sandi Smith (http://accountant.intuit.com/practice_resources/articles/practice_development/article.aspx?file=ss_QB-Month-Checklist), there are additional aspects to cover with your clients at the close of their fiscal year. Dependent on what works well for your processes, you can determine which order of completion is most effective for you. You may also want to add a few items to the checklist as applicable in your environment.

1. Accrue any year end costs associated with payroll and post to payroll expense and payroll liabilities.
2. Ensure all your vendor bills are posted by the year end close date.
3. Invoice your clients to finalize any outstanding unbillable revenue to date.
4. Review your 1099 vendor information to ensure it is complete (Name, Address, Tax Id, Accurate coding of expenses as to whether they are eligible for 1099 tracking, etc)
5. Reconcile your bank, credit card and loan accounts.
6. Conduct a physical inventory count and record adjustments with QuickBooks inventory.
7. Adjust any prepaid items, such as insurance, that need to be expensed.
8. Calculate amortization, depreciation, and any other necessary year end journal entries.
9. Review your asset and expense balances to ensure that all fixed assets have been accurately recorded for any purchases or sales.
10. Assess if any of your receivables need to be written off or sent for collections to an outside party.
11. Update any changes in employee or sales tax rates for the New Year.
12. Ensure any deposits received from clients throughout the year are adjusted to earned revenue.
13. Has the business plan been reviewed and updated to include changes anticipated for the upcoming year?
14. Is the budget for the New Year prepared?
15. Prepare year end reports, W-2 and 1099 forms and remit to appropriate parties.
16. Check and see if any local licensing or permits need to be filed with year end data.
17. Review memorized transactions to ensure they are still applicable for the New Year.
18. Print your year end reports, which should include
    a. Profit & Loss Statement
    b. Balance Sheet
    c. Accounts Receivable Aging
    d. Accounts Payable Aging
    e. Budgeted vs Actual

19. Schedule a time to review the information with your client to see if the information seems reasonable to them. While we can prepare various data, it is always wise for us to review the information with them and discuss any variances we find.
20. Ensure your client has a regular backup process that includes verifying the data to help minimize any data loss. Consolidate and condense if needed for performance.

With QuickBooks, there are no traditional closing entries needed, as the software will automatically close out your net income/loss to retained earnings.

Though there are many other activities, such as those listed above, that you can ensure you cover with your clients to keep them on the right path.

Use this checklist for internal processes or provide to your clients to help be proactive and achieve a good understanding for the necessary procedures for year end.

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