

A Year-End Bookkeeping and Accounting Checklist: Tips for Getting Organized



Gather Year-End Financial Documents

- Bank Statements**
 - Checking
 - Savings
 - Investment
 - Money market accounts
- Credit Card Statements**
 - Collect all monthly statements
 - Organize monthly statements by accounts
- Receipts for expenses paid by**
 - Cash
 - Checks
 - Debit/credit cards
- Documents showing revenue**
 - Invoices
 - Sale Receipts
- Documents showing expenses**
 - Rent/mortgage
 - Payroll
 - 1099s
 - Supplies receipts
 - Merchant statements
 - Utilities
 - Inventory count
 - Loan statements
 - Mileage logs
- Prior-year tax returns, if applicable**

Reconcile Accounts

- Bank Accounts
 - Credit Cards
 - Accounts Receivable
 - Accounts Payable
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Record Final Revenue and Expense Transactions

Record Revenue

- Review sales records and invoices
- Prorate revenue for ongoing subscription services
- Match shipping documents with invoices
- Record revenue of goods delivered
- Tally all revenue sources
- Enter final revenue into the accounting system

Record Expenses

- Review all documents showing expenses.
 - Ensure expenses are tracked in their proper account
 - Double-check that all expenses are recorded
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Run a Trial Balance

- Total all the debit and credit balances
 - Review that the debit and credit balances match perfectly
 - If the totals don't match, review the ledger and correct it
 - Review the number of transactions and ensure accuracy
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Make Adjusting Entries

- Accruals (e.g., software services delivered in December but billed in January)
 - Deferrals (revenue that has been paid but not yet earned, such as license agreement)
 - Depreciation (decline in value of assets, such as buildings, equipment, and furnishings)
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Update Ledger

- Post each adjusting entry to the general ledger account
 - Review each general ledger account and verify balances in:
 - Interest Receivable
 - Interest Revenue
 - Depreciation Expense
 - Unearned Revenue
 - Prepaid Expenses
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Prepare the Final Financial Statements

- Income Statement or Profit and Loss
- Balance Sheet

Cash Flow Statement

Close Revenue Accounts

- Total all the revenue accounts and debit the balance
 - Credit the total revenue to an Equity Account, typically Retained Earnings
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Close Expense Accounts

- Total all the expense accounts and credit the balance
- Debit the total expense balance to Retained Earnings

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