

**We hope you have had a great year! We have designed this list to assist you in closing out your business' accounting records for the year.**

- Reimburse any owner and/or employee expenses before December 31
  - Mileage reimbursement
  - Other business related expenses
  
- If your business owns mixed use property (items that are used for personal and business use such as automobiles) or provides health insurance to the owners, please ensure you understand the reporting requirements that must be completed **BEFORE** the year closes and payroll reports are issued
  
- Reconcile all bank accounts -checking, savings, investment and petty cash accounts
  
- Review and resolve uncleared bank and credit card items
  - For duplicate entries, delete the transaction
  - For checks you physically voided, void the transaction in QuickBooks
  - For uncleared checks, please review the rules regarding Texas Unclaimed Property and respond accordingly
    - <http://www.window.state.tx.us/up/reporting.html>
  - DO NOT void anything prior to the current year; journal entries are required (contact us if you need assistance)
  
- Reconcile all credit card accounts through the January closing date
  - Ensure December charges have been recorded in the current year
  
- Ensure Form 1099 information is set-up correctly and processed
  - See our 1099 document for details
  
- Ensure payroll information is correct and annual reports are timely filed
  - Review names, mailing addresses, and social security numbers
  - Reconcile payroll accounts to annual reports before filing
  - Issue 4Q 941, 4Q TWC, annual 940, and W-2s/W-3 reports by January 31
  
- Conduct a physical inventory of items held for resale on or about December 31
  - Value at **cost**
  - Adjust books to correct inventory or provide the information with your tax documents
  
- Review and write-off uncollectible accounts receivable

- Review and clear outstanding accounts payable items
- Reconcile all liability balances – ensure the balances reflect the December 31 **actual** balance
  - Vehicle notes
  - Lines of credit
  - Mortgages
  - SBA or other business loans
  - Payroll liabilities
  - Sales tax payable
- Review your fixed asset list
  - Identify assets that have been disposed, sold or traded in (proceeds and date)
  - Ensure new assets are listed with detailed descriptions
  - Review office supplies and computer expense accounts for items that should be categorized as assets
- Once December records are complete, close the books to eliminate miskeying information into the previous year
  - In QuickBooks, this action is performed as follows:
    - Edit, Preferences, Accounting, Company Preferences
    - Date through which books are closed
    - Set Password: Something easy to remember!
- Submit your QuickBooks **ACCOUNTANT'S COPY** file and any other necessary tax documents to BWA
  - Include QB version and passwords
  - Include the following items
    - Final sales tax return for the year
    - W3/W2s, Annual 940, and YTD payroll reports from your payroll vendor
    - December bank statements
    - 1096/1099s
    - Year-end loan statements detailing interest and principal pmnts

These steps will help ensure a smooth year-end accounting process. If you have any questions or need additional assistance, please contact our office.