

End-of-Year Financial Checklist for Small Businesses

This worksheet will help you prepare your business for the year-end close, tax season, and a strong start to the new year. Completing these steps will give you a clear picture of your financial health and help you make informed decisions.

Section 1: Books and Records Cleanup

- **Bank and Credit Card Reconciliation:** Compare every transaction in your bank and credit card statements with the entries in your accounting software. Resolve any discrepancies.
 - **Completed Review:** ☐
 - **Accounts Receivable (A/R) Review:** List all outstanding invoices. Follow up on any overdue payments.
 - **Total Outstanding A/R:** \$_____
 - **Completed:** ☐
 - **Accounts Payable (A/P) Review:** List all unpaid bills and expenses. Reconcile with vendor statements.
 - **Total Outstanding A/P:** \$_____
 - **Completed:** ☐
 - **Expense Categorization:** Review all transactions for the year to ensure they are correctly categorized. Check for any personal expenses that may have been accidentally mixed with business expenses.
 - **Completed:** ☐
 - **Inventory Count (if applicable):** Conduct a physical count of all remaining inventory. This is crucial for calculating your Cost of Goods Sold (COGS).
 - **Inventory Value:** \$_____
 - **Completed:** ☐
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Section 2: Asset and Liability Review

- **Fixed Assets:** List all major assets purchased or sold during the year (e.g., equipment, vehicles, real estate). Gather purchase dates, costs, and any relevant depreciation schedules.
 - **Completed:** ☐
- **Loans and Liabilities:** Review all business loans, lines of credit, and outstanding debts. Confirm the balances and interest paid during the year.
 - **Total Business Debt:** \$_____
 - **Completed:** ☐
- **Payroll Reconciliation:** Verify that all payroll records, including employee salaries, withholdings, and tax payments, are accurate and reconciled.
 - **Completed:** ☐

Section 3: Tax Preparation and Strategy

- **Gather Key Tax Forms:** Organize all financial statements, receipts, invoices, and bank statements.
 - **Documents Ready:** ☐
 - **Tax Deductions:** Identify all potential deductions and credits. This may include mileage, home office expenses, business meals, and software subscriptions.
 - **Completed:** ☐
 - **Review Estimated Tax Payments:** Confirm that you have made all required quarterly estimated tax payments.
 - **Completed:** ☐
 - **Consult with a Tax Professional:** Meet with your accountant or tax advisor to review your financial data and discuss any last-minute tax strategies.
 - **Meeting Scheduled:** ☐
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Section 4: Financial Performance Analysis

- **Generate Key Reports:** Pull your year-end **Profit and Loss (P&L) Statement** and **Balance Sheet**
 - **P&L Ready:** ☐
 - **Balance Sheet:** ☐
 - **Analyze Performance:** Compare this year's performance to previous years and your financial goals. Look at key metrics like revenue growth, gross profit margin, and net profit.
 - **Revenue Growth:** _____%
 - **Notes:** _____
 - **Cash Flow Review:** Examine your cash flow statement to understand where your money came from and where it went. Identify any patterns or areas for improvement.
 - **Completed:** ☐
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Section 5: Planning for the New Year

- **Set Financial Goals:** Based on your year-end review, create a new set of financial goals for the coming year.
 - **New Goals Set:** ☐
 - **Create a Budget:** Develop a detailed budget for the next 12 months, allocating funds for operations, marketing, and savings..
 - **New Budget Created:** ☐
 - **Identify Opportunities and Threats:** Use your financial analysis to spot areas where you can grow or where you need to be cautious.
 - **Completed:** ☐
 - **Review Pricing:** Determine if your current pricing is sustainable and profitable, and adjust as needed.
 - **Completed:** ☐
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Notes:

- **Final Review:** Before you hand over your books to your accountant, take one final pass to ensure everything is in order.
- **M&F Bank can help!** Schedule an appointment with one of our business bankers to discuss your end-of-year review or to set up new accounts for the coming year.