C3CPA | CERTIFIED PUBLIC ACCOUNTANTS

Small Business Year-End Close Checklist

A practical close sequence for owner-operated businesses before books go to tax preparation.

Reconcile

- Reconcile every bank and credit card account through December 31
- Clear stale uncleared checks and deposits
- Tie loan balances to year-end lender statements
- Reconcile payroll liabilities to filed Forms 941 and state returns

Clean up the ledger

- Review and clear the Ask My Accountant / uncategorized account
- Confirm owner draws and contributions are not booked as expenses
- Record depreciation and review the fixed asset additions listing
- Write off uncollectible receivables and verify the AR aging
- Verify accounts payable aging and accrue unpaid year-end bills

Inventory and revenue

- Complete a physical inventory count and adjust to actual
- Review deferred revenue and customer deposits
- Confirm sales tax collected agrees to filed returns

Compliance and filings

- Collect Forms W-9 and issue 1099-NEC to contractors by January 31
- Confirm S corporation officer reasonable compensation is on payroll
- Report health insurance premiums for greater-than-2% S corporation shareholders
- Verify beneficial ownership and annual state entity filings are current
- Back up accounting data and close the prior period to further edits

C3CPA · Rio Rancho, New Mexico · (505) 595-2788 · info@c3cpa.com